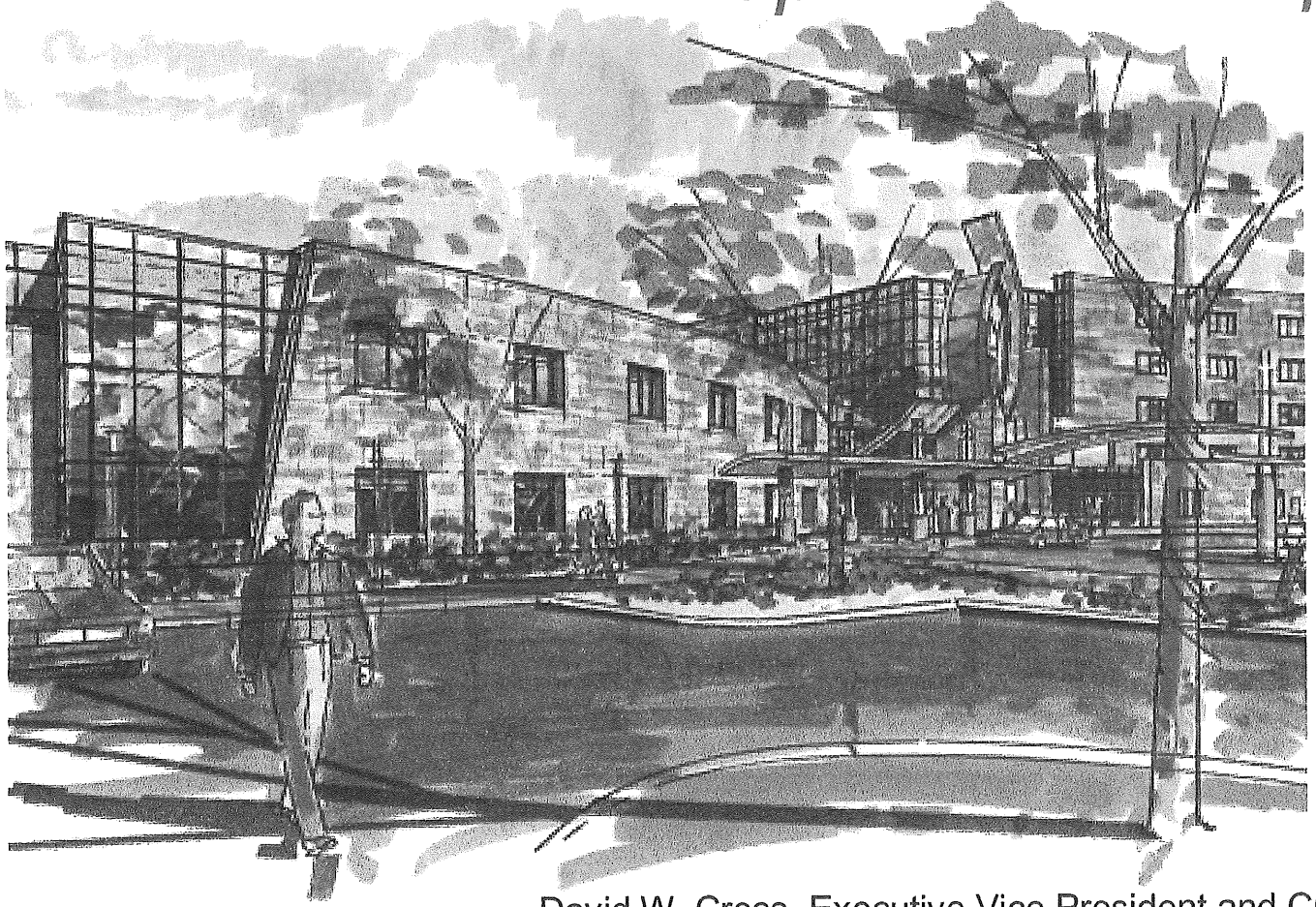
North Memorial Medical Center

Maple Grove Hospital



David W. Cress, Executive Vice President and COO
Patricia A. Cooksey, Vice President of Business Development
Robert J. Town, PhD., University of Minnesota

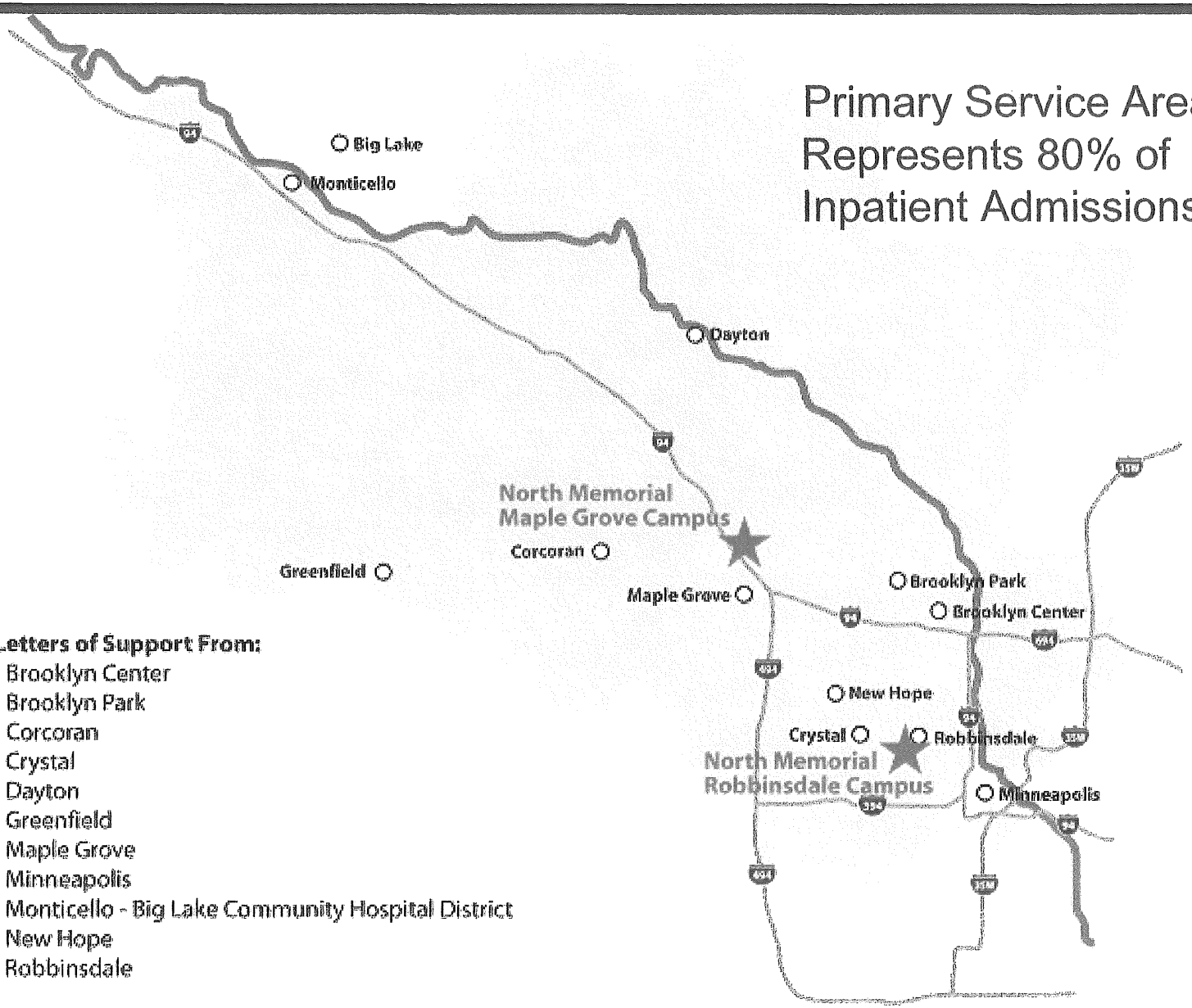
North Memorial Medical Center

50 Years of Service to the Community

- Independent Health Care Organization
- Level 1 Trauma Center
- Emergency Services
- Ambulance Services
- Women & Children's Services/NICU
- Heart Center
- Stroke Center
- Humphrey Cancer Center
- Primary Care Physicians, 279 on Staff
- Specialty Physicians, 606 on Staff

North Memorial Medical Center

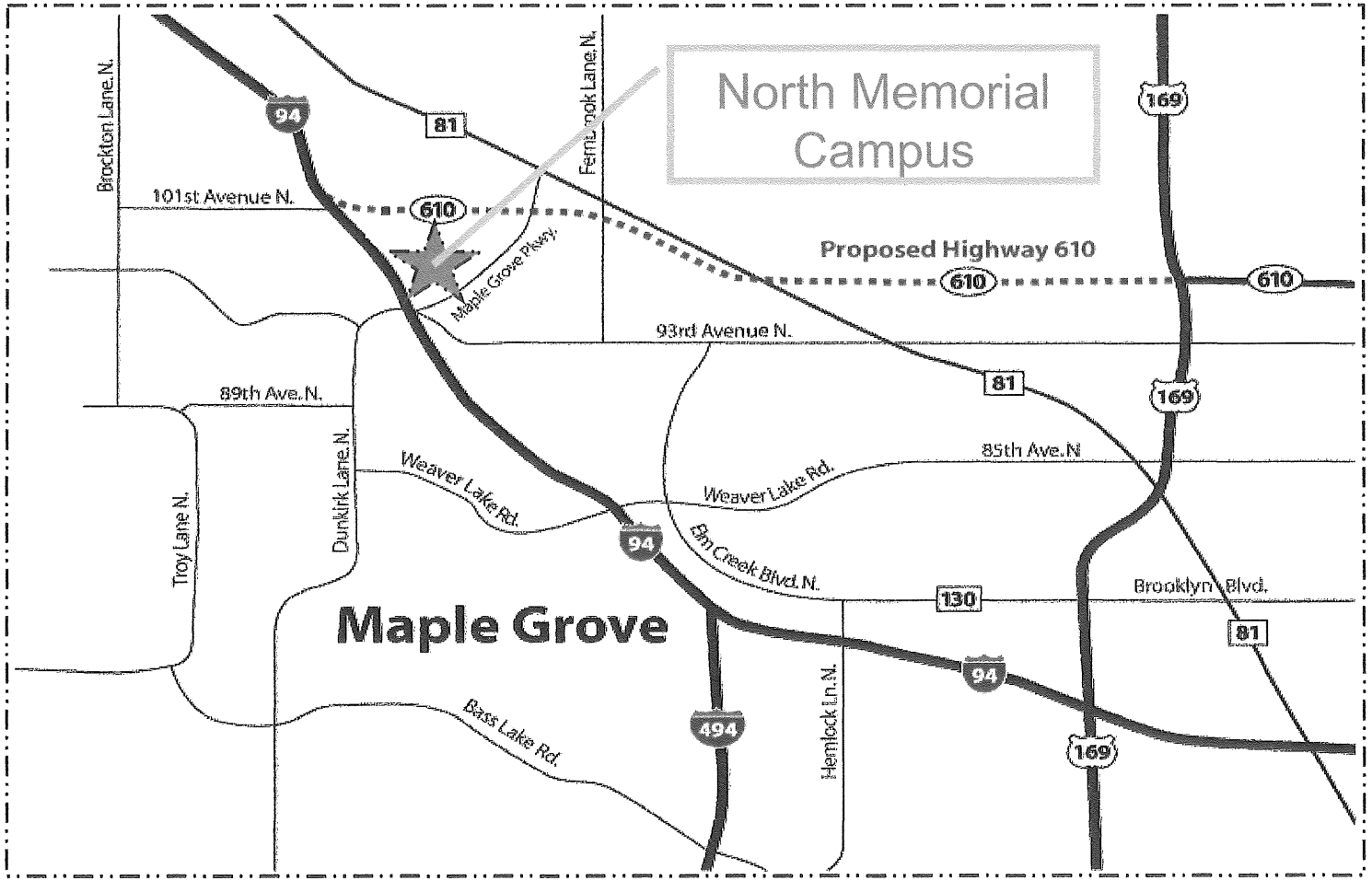
Primary Service Area: Represents 80% of Inpatient Admissions



Letters of Support From:

- Brooklyn Center
- Brooklyn Park
- Corcoran
- Crystal
- Dayton
- Greenfield
- Maple Grove
- Minneapolis
- Monticello - Big Lake Community Hospital District
- New Hope
- Robbinsdale

North Memorial Medical Center



- Development and concept approval by Maple Grove City Council (12/04), including required road improvements.
- The Highway 610 extension is not required for our project.

North Memorial Medical Center

Our Plan

Phase I

- Develop a health care campus on our 30 acre site in Maple Grove
  - Emergency Services, Outpatient Surgery, Imaging and Medical Office Building scheduled to open fall 2006
  - Inpatient hospital including 80 beds scheduled to open in 2008 following legislative approval in 2005
    - Medical/Surgical, Obstetrics, Pediatrics, Behavioral Health, Oncology

Phase II

- Expand inpatient hospital capacity up to 260 beds and build future Medical Office Buildings

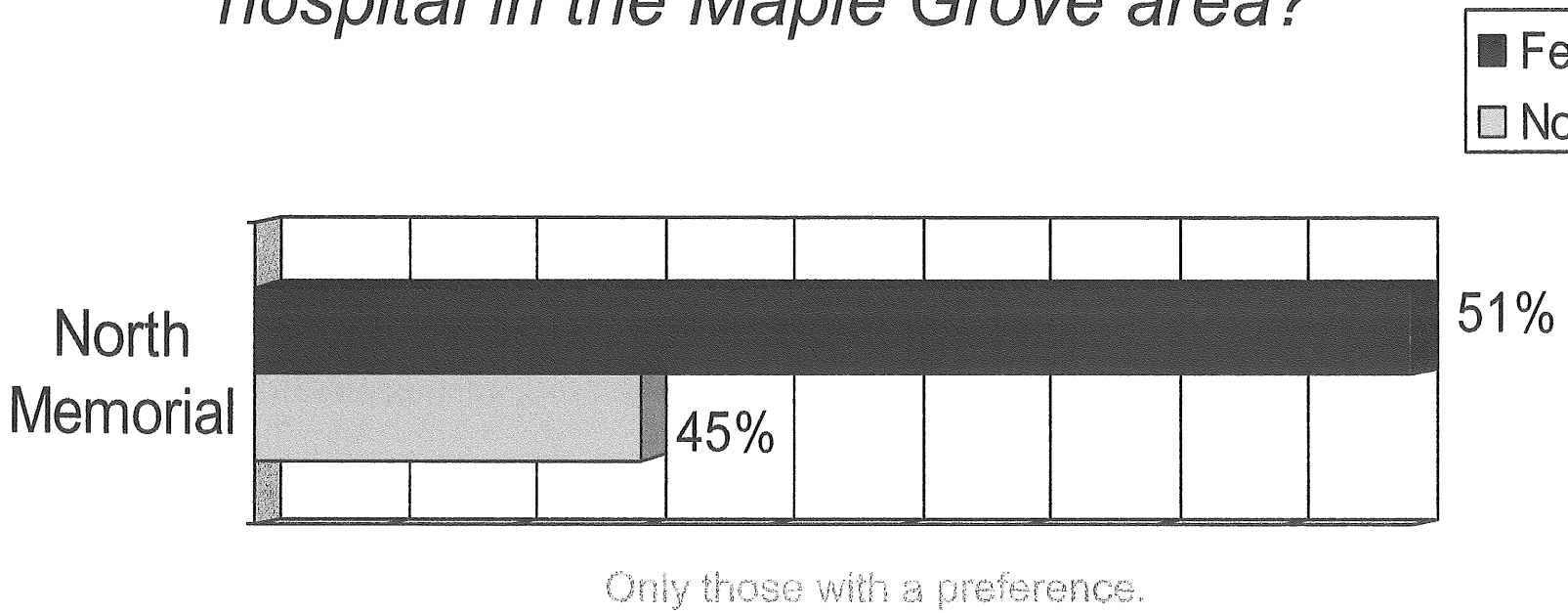
North Memorial Medical Center

Our Request

Authorize the Transfer of Eighty (80) Existing, Licensed and Staffed Beds From Our Robbinsdale Campus To Our Maple Grove Campus.....

North Memorial Medical Center

Who would you most like to see build a hospital in the Maple Grove area?



Only those with a preference.

- *Consumer research conducted by Padilla Speer Beardsley*
  - *Independent research firm*
  - *November 2004; repeated in February 2005*

North Memorial Medical Center

Letters of Support

- ***Brooklyn Center***, Myrna Kragness, Mayor
- ***Brooklyn Park City Council***, Steve Lampi, Mayor
- ***Corcoran City Council***, Thomas C. Cossette, Mayor
- ***Crystal***, ReNae J. Bowman, Mayor
- ***Dayton City Council***, Douglas Anderson, Mayor
- ***Greenfield City Council***, Lawrence Plack, Mayor
- ***Maple Grove***, Mark Steffenson, Mayor
- ***Minneapolis City Councilman***, Don Samuels
- ***New Hope***, Martin Opem Sr., Mayor
- ***Robbinsdale***, Mike Holtz, Mayor
- ***HealthPartners***, Mary Brainerd, President and CEO
- ***Hennepin County Board of Commissioners***, Mike Opat
- ***Minnesota Neonatal Physicians***, Bruce Ferrara, MD, President
- ***Monticello-Big Lake Community Hospital District,*** Board of Directors
- ***Ridgeview Medical Center***, Robert Stevens, President

North Memorial Medical Center

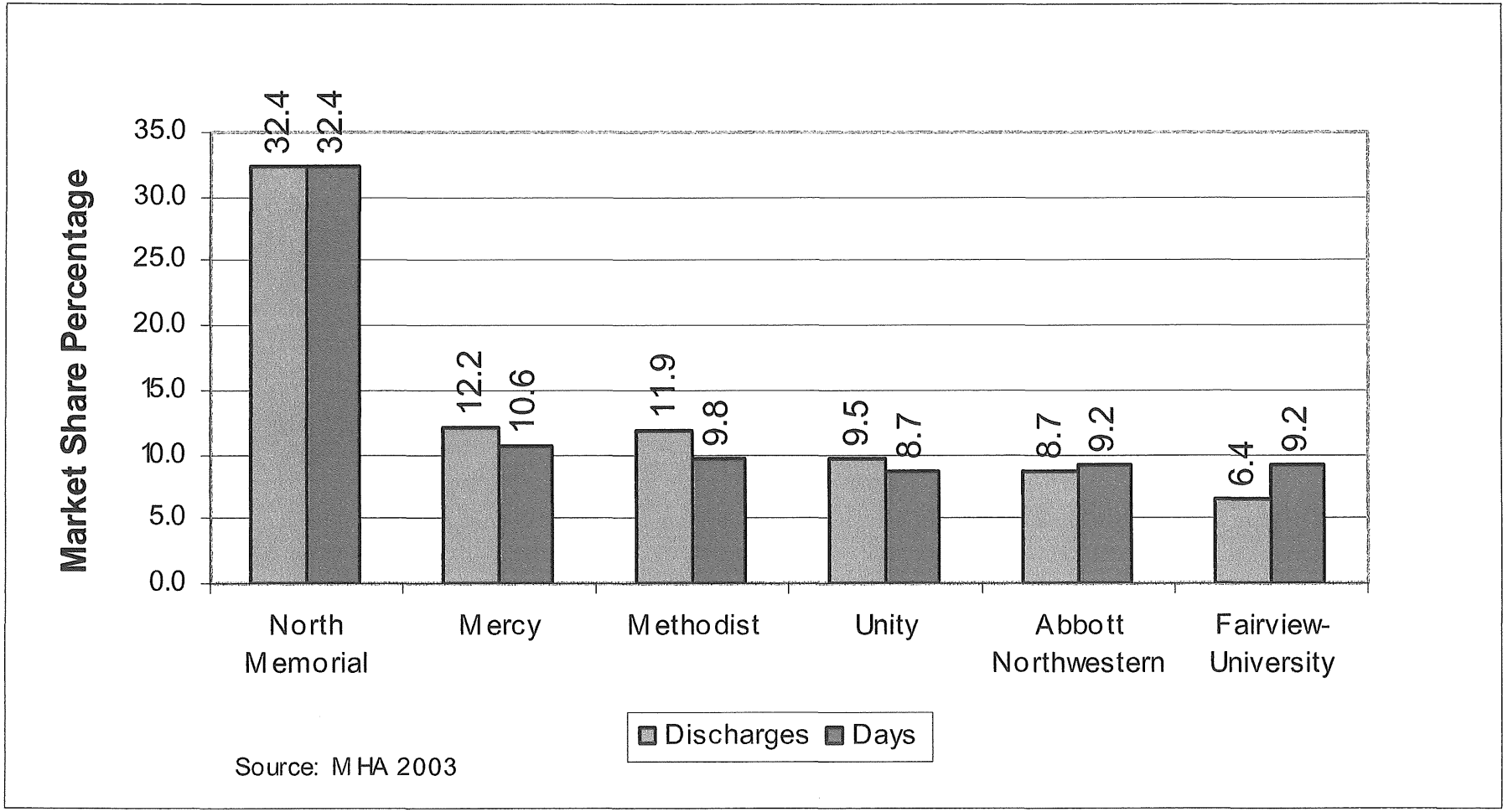
Sample of Affiliations/Universities:

Physician Residency, Nursing and EMT Programs

- University of Minnesota
- HCMC
- Regions
- Anoka Ramsey Community College
- Anoka-Hennepin Technical College
- Augsburg College
- Bethel University
- Century College
- College of St Catherine
- Dakota Technical College
- Hennepin Technical College
- Mpls Community and Technical College
- Minnesota State University, Mankato
- Normandale Community College
- North Hennepin Community College
- South Central Technical College - Mankato
- St Paul Technical College
- St Scholastica
- University of Minnesota – Duluth
- Winona State University

North Memorial Medical Center

Maple Grove Area Market Share



North Memorial Medical Center

- ✓ *The current Twin Cities market is highly concentrated*
- ✓ *Other proposals will increase this already highly concentrated market*

Herfindahl-Hirschman Index for Adult Inpatient Services Under the Different Maple Grove Proposals

- ✓ *Current Twin Cities Herfindahl-Hirschman Index is 1,914*

Proposal	HHI
North Memorial	1,867
Park Nicollet/Allina	1,963
Fairview	1,921

North Memorial Medical Center

- ✓ *Hospital prices in the Twin Cities will likely be higher if other proposals are implemented*
- ✓ *North Memorial's proposal will result in more competition for inpatient services in the Twin Cities market*

Proposal	Lower Bound		Upper Bound	
	Estimated Price Change	Impact on Hospital Expenditures	Estimated Price Change	Impact on Hospital Expenditures
North Memorial	**-.2%**	**-$17.6 million**	**-.5%**	**-$43.6 million**
Park Nicollet/Allina	.2%	$17.6 million	.5%	$43.6 million
Fairview	.02%	$1.76 million	.08%	$7.0 million

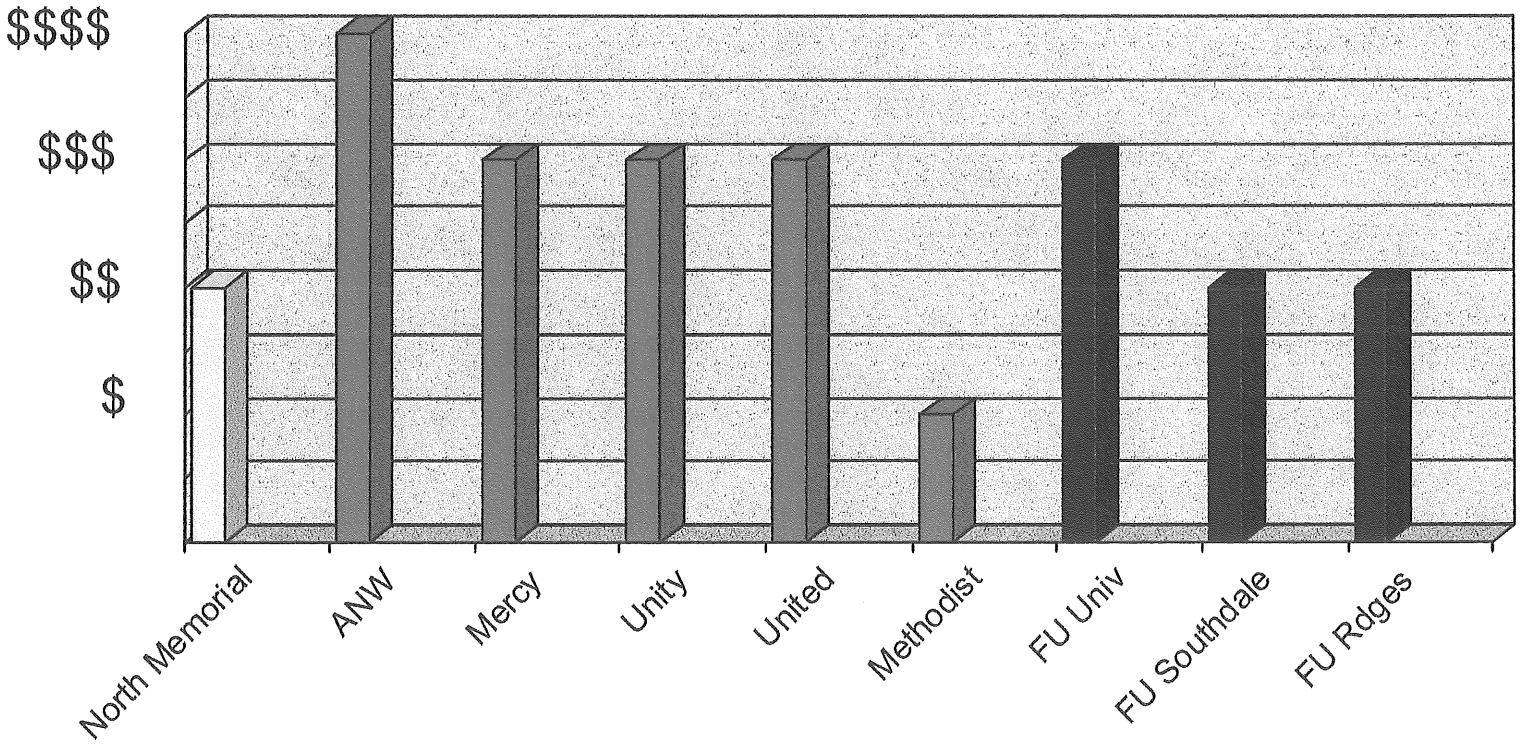
North Memorial Medical Center

"The legislature has a unique opportunity to positively affect health care competition for the State of Minnesota.... "

Robert J. Town, PhD
University of Minnesota
and
National Bureau of Economic Research
Cambridge, MA
March 21, 2005

North Memorial Medical Center

Hospital Cost To Consumers

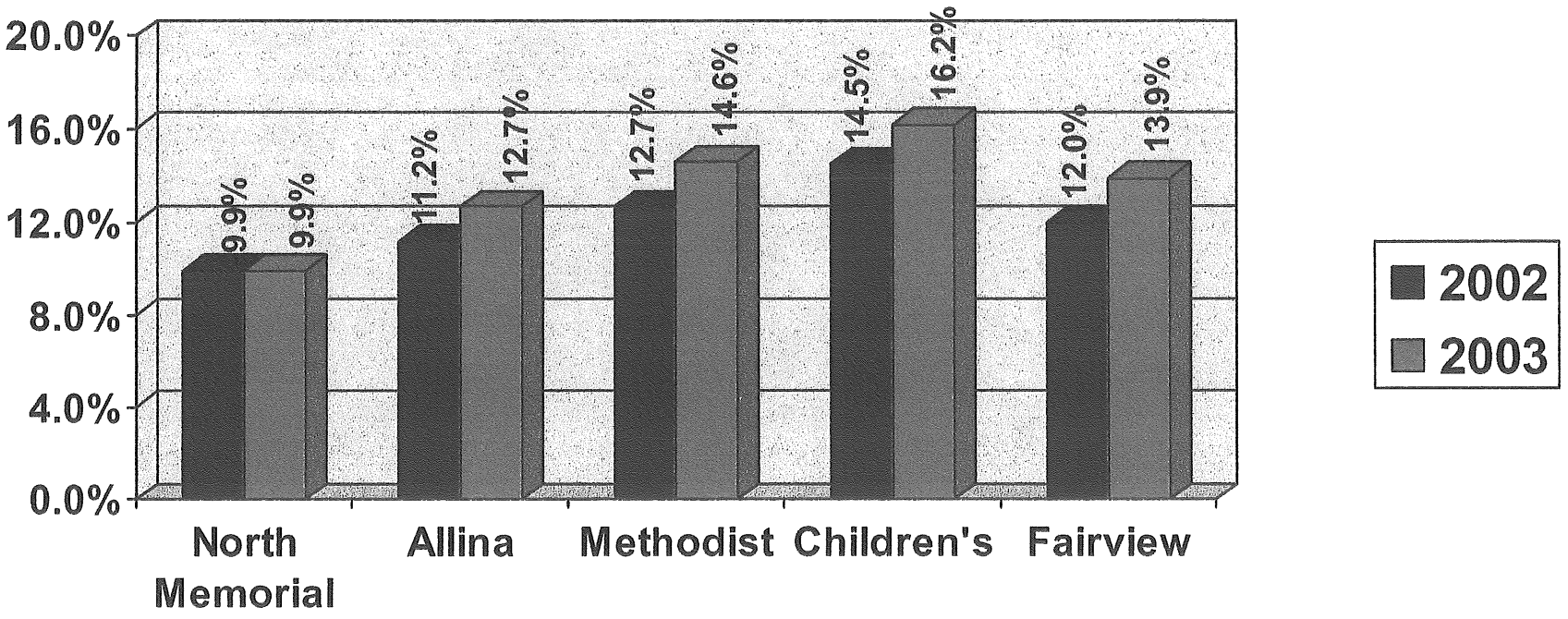


Source:

2004 Blue Cross Blue Shield of Minnesota "Healthcare Facts" Website

North Memorial Medical Center

Administrative Costs as a Percentage of Operating Revenue



Source:
Minnesota Hospital Association

North Memorial Medical Center

Financial Plan

- North Memorial's current credit rating of A2 by Moody's Investors Service demonstrates financial strength and financial capacity to issue necessary debt to fund our plan
- No other health care system proposal under consideration has a higher aggregate credit rating
- North Memorial will be able to access capital markets efficiently and cost effectively

Piper Jaffray & Co.

March 28, 2005

North Memorial Medical Center

North Memorial's Proposal

- Is in the public interest
  - Increases competition in the Twin Cities marketplace
  - Improves access to health care
  - Preserves resources in the local community
- Will develop a complete and comprehensive health care campus
  - Transfer of existing licensed and staffed beds
  - Most cost effective plan for the community
  - Medical expertise in Trauma, Emergency, Orthopedics, Heart, Stroke, Cancer, Obstetrics, Pediatrics and Neonatology...
- ***We Are the Major Provider of Health Care to the Maple Grove Community***

Public Support

As part of North Memorial's communications effort, an information piece was mailed to all residents in Maple Grove and the surrounding communities to inform them of the plans for a North Memorial Health Care campus in Maple Grove. Below are some of the comments received from residents:

"It would be WONDERFUL to have a North Memorial 'North Branch' here in Maple Grove. There is definitely room for all the people and new construction homes that are going in on the Brooklyn Park/Maple grove/Champlin border! I love North Memorial and the talented/caring staff they currently have."

- Brooklyn Park resident

"My family has used North Memorial for years and I am very happy you will have an annex so close."

- St. Michael resident

"I think this is a great idea!! I have always gone to North Memorial in Robbinsdale, for the birth of my three children and for emergencies with my parents. We have always been very pleased with the service provided. I am currently attending NHCC in hopes of being accepted into the nursing program this fall, I would be interested in any information on jobs that may be opening up with the new building in Maple Grove. I would be interested in anything to start out. Please keep me informed of the progress."

- Maple Grove resident

"Congratulations! I see this as an area of need and growth in the area and a good opportunity for North Memorial. North is our hospital of choice and I'm looking forward to this expansion."

- Brooklyn Park resident

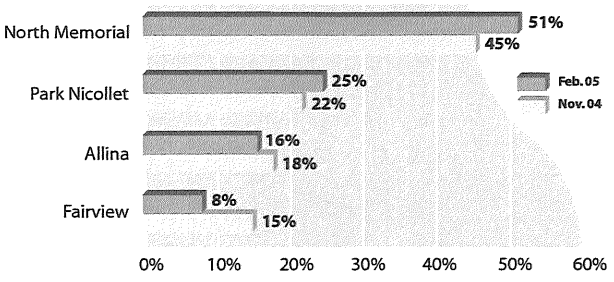
"I think that North Memorial is an exceptional hospital/health care facility. My biggest request would be that this facility would be the one that Champlin residents would use for a 'default' ambulance service. Currently (I believe) we are required to go to Mercy if we have to dispatch an ambulance. I am not satisfied with Mercy's health care, and would prefer North Memorial to be available to me as a Champlin resident. Thank you for your consideration of my opinions."

- Champlin resident

North Memorial Health Care

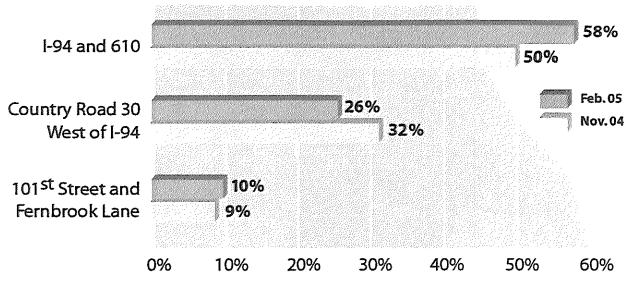
Making the right choice for health care in Maple Grove

Who would you most like to see build a hospital in the Maple Grove area?



*ONLY THOSE WITH A PREFERENCE

If a hospital were added in the Maple Grove area, where is the ideal location?



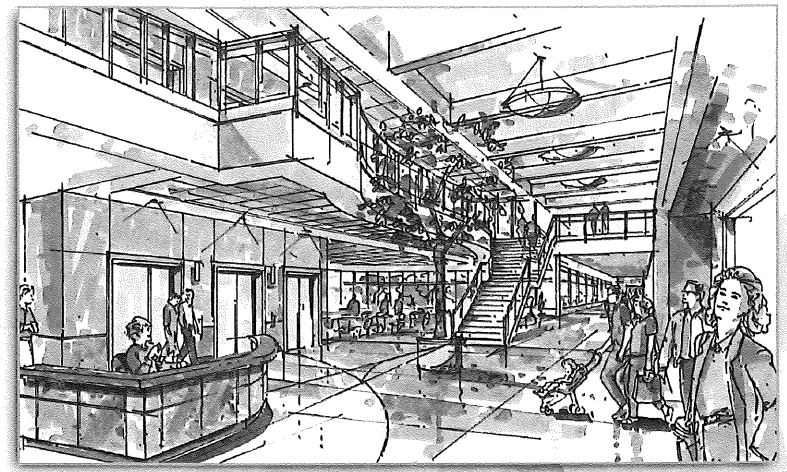
The right care – when you need it. Where you need it.

- North Memorial will be the first organization in Maple Grove to offer **round-the-clock urgent/emergency services** staffed by **board-certified emergency medicine physicians** as a part of its Outpatient Center planned to open in 2006.
- North Memorial is proposing to build **a full-service community hospital by 2008** if approved by the state legislature in 2005. The hospital will include pediatric beds.
- North Memorial is the patient's choice for building a hospital. **Fifty-one percent (51%) of area residents expressing a preference named North Memorial** as the preferred builder of a Maple Grove hospital.
- North Memorial is the only hospital proposing a Maple Grove hospital with **Level I Trauma experience** – experience that will benefit Maple Grove area residents. A new **ambulance base** will be located in Maple Grove beginning in 2006 – providing faster access to emergency care and transportation.
- North Memorial is used by more Maple Grove area residents than any other hospital – **one-third of the Maple Grove community uses North Memorial for their hospital care.** North Memorial offers the best continuity of care for patients.
- Competition in health care keeps costs down and choices up. **North Memorial is the only independent hospital proposing to build in Maple Grove.** A recent evaluation of the competing hospital proposals by a University of Minnesota health economist states that "...patient welfare is best served when hospitals vigorously compete. Hospital prices are lower and the quality of care is higher."
- North Memorial has received **local and national awards and certifications** for its quality and service. We provide excellence in all services-ranging from **heart care**, **cancer care** and **trauma** to **OB-GYN**, **pediatrics** and **senior care**.

For more information on North Memorial's plans in Maple Grove, please visit **northmemorial.com/maplegrove.**

North Memorial Health Care

North Memorial
Health Care



Artist's renderings of the North Memorial Maple Grove campus

Letters of Support

Letters of Support that have been received:

Brooklyn Center, Myrna Kragness, Mayor

Brooklyn Park City Council, Steve Lampi, Mayor

Corcoran, Thomas C. Cossette, Mayor

Crystal, ReNae J. Bowman, Mayor

Dayton City Council, Douglas Anderson, Mayor

Greenfield, Lawrence S. Plack, Mayor

Maple Grove, Mark Steffenson, Mayor

Minneapolis City Council, Don Samuels

New Hope, Martin E. Opem Sr., Mayor

Robbinsdale, Mike Holtz, Mayor

HealthPartners, Mary Brainerd, President & CEO

Hennepin County Board of Commissioners, Mike Opat

Minnesota Neonatal Physicians, Bruce Ferrara, MD, President

Monticello-Big Lake Community Hospital District, Board of Directors

Ridgeview Medical Center, Robert Stevens, President

City of Brooklyn Center
A Millennium Community

February 21, 2005

Commissioner Dianne Mandernach
Department of Health
85th East Seventh Place, Suite 400
St. Paul, Minnesota 55101

Dear Commissioner Mandernach,

I would like to add my thoughts regarding the report your department is preparing relating to a future hospital in the city of Maple Grove. I am the Mayor of the city of Brooklyn Center and appreciate having North Memorial Medical Center and it's excellent staff as the major medical facility used by our community.

I would support North Memorial as the hospital to build its new facility in Maple Grove because:

North Memorial Medical Center is the only Level I Trauma Center facility proposing a hospital. My family and I have personal experience in the excellence of the trained staff and facilities needed in the event of a major medical emergency. They have cared for us many times in the almost 40 years we have been in this area.

North Memorial has proposed moving beds from Robbinsdale to Maple Grove, moving beds where the need is. They are currently in the process of adding a new heart center and emergency department in Robbinsdale. Not taking away the quality of care expected by the people using their facilities, but adding and improving on site.

Maple Grove will benefit in many ways with North Memorial as a independent hospital in their community, and North Memorial will continue to grow and become the medical facility the citizens can count on, as we do here in Brooklyn Center.

I would urge you to endorse North Memorial's plan for a hospital. Bring a new Hospital and it's excellent staff and state of the art equipment to the people of Maple Grove and surrounding area.

I hope my personal endorsement of North Memorial will add to your positive thoughts to bring a quality facility to Maple Grove.

Sincerely,

Myrna Kragness

Myrna Kragness
Mayor of Brooklyn Center MN

6301 Shingle Creek Parkway
Brooklyn Center, MN 55430-2199
City Hall & TDD Number (763) 569-3300
FAX (763) 569-3494

Recreation and Community Center Phone & TDD Number
(763) 569-3400
FAX (763) 569-3434

RESOLUTION #2005-78

RESOLUTION IN SUPPORT OF NORTH MEMORIAL HEALTH CARE'S PROPOSED NEW HEALTH CARE CAMPUS AND HOSPITAL IN MAPLE GROVE

WHEREAS, North Memorial Health Care has a long track record of service in the "northwest corridor" communities; and,

WHEREAS, North Memorial is sincere in its desire to serve our community and they have already invested significantly in the northwest communities by serving our area residents in multiple ways; and,

WHEREAS, North Memorial has the leading market position in cardiology, ENT, general medicine, gynecology, neonatology, neurology, obstetrical and newborn care, cancer, orthopedics, urology, trauma, and emergency medicine; and,

WHEREAS, North Memorial's paramedics, emergency physicians and emergency transport personnel have trained and worked with northwest communities' first responders for decades; and,

WHEREAS, the services offered by North Memorial are needed in growing communities including Brooklyn Park;

THEREFORE, BE IT RESOLVED, that the City of Brooklyn Park endorses the plans of North Memorial to build an outpatient health care campus in Maple Grove and their vision for a hospital on this campus in the future.

The foregoing resolution was introduced by Council Member Meyer and duly seconded by Council Member Gearin.
The following voted in favor of the resolution: Gearin, Lampi, Mata, Meyer, Schmitz, Simmons, and Trepanier.
The following voted against: None.
The following was absent: None.
Where upon the resolution was adopted.

ADOPTED: March 28, 2005

STEVE LAMPI, MAYOR

March 29, 2005

Senator Warren Limmer
121 State Office Building
100 Reverend Martin Luther King Jr. Drive
Room 121
St. Paul, MN 55155

Dear Senator Limmer:

I understand that soon you will be involved in downselecting a hospital for the Maple Grove area. Certainly by now you have received considerable advice on this matter, but I hope you will allow me to express my support for the North Memorial plan.

I grew up in Robbinsdale through the 1960's and have been a resident of Maple Grove and now Corcoran since that time. For my family and for my neighbors' families, the quality and convenience of the North Memorial health care system has made it the preferred system. It is not surprising that the largest percentage of local residents prefer that North Memorial build the hospital.

Putting aside the biases and the claims, let's examine the three things that I think distinguish North Memorial from the competition.

1) North Memorial is the only group to propose a Level 1 Trauma Center. Everything else being equal, this factor by itself should swing the balance in favor of North Memorial.
2) North Memorial has an ambulance based at Corcoran City Hall (and other similar remote locations) 24 hours a day, 365 days a year. It responds rapidly to emergencies here in our area. The other proposers could have provided a similar service, but it was North Memorial that recognized the community need and provided the solution.
3) North Memorial is the only independent—and it is local. Local management translates into a better understanding of the needs of the community.

I know that all three groups are well respected and offer high quality health services. The area will obviously benefit from a new health care complex no matter who builds it. But, there are some real and measurable differences. Please consider those that I have mentioned above.

Sincerely,

Thomas C. Cossette

Thomas C. Cossette
Mayor of Corcoran
793-494-9937

cc Gerald R. Pedlar
Director
Property & Facilities
North Memorial Health Care
3300 Oakdale Avenue North
Robbinsdale, MN 55422

CITY of CRYSTAL

4141 Douglas Drive North • Crystal, MN 55422-1696
Telephone: (763) 531-1000 • Fax: (763) 531-1188
Website: www.ci.crystal.mn.us

Commissioner Dianne Mandernach
Department of Health
85th East Seventh Place, Suite 400
St. Paul, MN 55101

February 21, 2005

Dear Commissioner Mandernach:

I would like to take this opportunity to share my perspective regarding the report your department is preparing relating to the future hospital in the Maple Grove area. I represent the Crystal community and I am well acquainted with North Memorial Medical Center.

I support North Memorial's goal to build a hospital in Maple Grove because North Memorial has always been a great friend and neighbor in our community. They have not only sponsored events and provided volunteers they have demonstrated partnerships with the city of Crystal and our local school district (Robbinsdale Area School). When I served as a member of the Robbinsdale School Board, they provided the usual school education programs and helped to finance the cost of our annual district-wide arts calendar.

One of the partnerships is with West Metro Fire Department which serves both Crystal and New Hope. The fire department no longer responds to emergency health calls because it is now done by North Memorial Medical Center's ambulance service. Since NMMC is close and their ambulances are parked in our community, we benefit in two ways:

1. Less strain on the fire department resources along with actual monetary savings
2. Top-notch medical care strategically located to citizens at a time when a citizen needs it most.

North Memorial Medical Center has grown its facility in Robbinsdale during a time when many businesses have taken flight. Their presence in our community provides not only great medical care at all levels, but also provides important jobs that add to the prosperity of our community. They continue to need access to growing communities in order to stay strong and I am convinced they will serve the community of Maple Grove as well as they have served our communities.

I would urge you to endorse North Memorial's plan for a hospital in Maple Grove. NMMC has proven itself to be an excellent neighbor and community partner for the city of Crystal. I know they will continue this tradition of excellence with the city of Maple Grove.

Respectfully,

ReNae J. Bowman
Mayor of Crystal
763/531-2074

City of Dayton

12260 S. Diamond Lake Rd.
Dayton, Minnesota 55327

(763) 427-4589
Fax (763) 427-3708

March 21, 2005

Commissioner Diane Mandernach
Minnesota Department of Health
85 East 7th Place, Suite 400
St. Paul, MN 55101

Dear Commissioner Mandernach:

At their meeting of March 8th, the Dayton City Council unanimously directed me to write a letter of support for North Memorial Health Care relating to the construction of a new hospital in the City of Maple Grove to service the Northwest metro area. As we understand it, your department is preparing a report on a future hospital in the northwest metro area and we would urge you to support North Memorial's plan for a hospital.

North Memorial has long provided our residents excellent medical services, but a new hospital located closer to our community would enhance access to those top-notch medical services. North Memorial is also the only proposer of Level I Trauma Services, which would also enhance access to needed medical services for our growing community. It also makes sense that moving beds from Robbinsdale to Maple Grove will save money in the long run by redistributing beds to where they are needed and not increasing competition for North Memorial's current clientele with new beds from another firm. Overall, this is a "win/win" situation - Dayton residents get enhanced medical services from a trusted health care provider, while North Memorial retains its financial viability by moving the beds where they are now needed most.

We endorse the plans of North Memorial' plans for a new hospital for reasons above and hope that you will also approve of both the expansion of hospital services and North Memorial's plans to do so in Maple Grove. if you should have questions regarding this letter of support, please do not hesitate to contact me at the phone number above.

Sincerely,

Douglas Anderson,
Mayor of Dayton

City of Greenfield
6390 Town Hall Drive
Greenfield, Minnesota 55357-9663
763-477-6464

April 5, 2005

Senator Warren Limmer
127 State Office Building
100 Constitution Avenue
St. Paul, MN 55155-1206

Dear Senator Limmer:

I am writing to offer my support for North Memorial Medical Centers proposal for bringing health care services and a hospital to the City of Maple Grove to service the surrounding communities. The organization has a long track record of service in our area.

North Memorial's paramedics, emergency physicians and emergency transport personnel, including air care have trained and worked with northwest communities' police and firefighters for decades. Their trauma and emergency medicine programs are regional leaders. These services are needed in the growing area of the northwest corridor of the metropolitan area. I believe North Memorial is in a unique position to offer these services to the residents of this area. I support their plans for an outpatient health care campus including a hospital in Maple Grove.

North Memorial Medical Center has served the City of Greenfield and its residents for many years. It is our desire that North Memorial would continue to serve our community with the expansion of a Maple Grove facility. I urge your support for North Memorial's plans in the City of Maple Grove.

Yours truly,

Lawrence S. Plack
Mayor
City of Greenfield

City of
Maple Grove
12800 Arbor Lakes Parkway, P.O. Box 1180, Maple Grove, MN 55311-6180 763-494-6000

November 5, 2004

Dianne Mandernach
Commissioner of Health
85 E. 7th Place
St. Paul, MN 55101

Dear Commissioner Mandernach:

As Mayor of Maple Grove, I am pleased North Memorial has submitted a review process paper to the Minnesota Department of Health for the potential development of a hospital in Maple Grove.

As you are probably aware, Maple Grove and the surrounding suburbs are among the fastest growing communities in Minnesota. We are excited to have a hospital in our community. With a 37.4 percent growth in population between 1990 and 2000 for Maple Grove and eight neighboring suburbs, the need for a hospital to serve the northwest metropolitan area is obvious.

Clearly, with the snarl of congested traffic patterns in the northwest metro area, putting a hospital and its emergency services in the heart of our community would certainly be instrumental in saving lives. The area also is in need of more OB/Gyn services. There are a tremendous number of young families in our region. We also are concerned about the behavioral needs of our citizens, especially teenagers.

We are pleased North Memorial, with its current presence in this area, is interested in adding more community-based care in Maple Grove. We look forward to having a first-rate health care hospital linked to leading, nationally recognized medical centers.

Thank you for your time and attention on this matter. If I can be of any further assistance, please don't hesitate to call me at 763-560-5700.

Sincerely,

Mark Steffenson
Mayor

Minneapolis
City of Lakes

City Council

Don Samuels
Council Member, Third Ward
350 South 5th Street - Room 307
Minneapolis MN 55415-1383

Office 612 673-2203
Fax 612 673-3940
TTY 612 673-2157

January 14, 2005

Commissioner Dianne Mandernach
Minnesota Department of Health
Golden Rule Building
85 East 7th Place
P.O. Box 64882
Saint Paul, MN 55164-0882

Dear Commissioner Mandernach:

I am writing as a public official interested in the decision the Minnesota Department of Health will be making regarding a hospital in Maple Grove, Minnesota. As a Minneapolis City Council Member, and a community leader in the north Minneapolis area, I am very familiar with North Memorial Medical Center, one of the organizations submitting a proposal to build a hospital in Maple Grove.

I believe one of the considerations in your evaluation should be the quality of care from the hospital, but also the quality of the hospital as a community partner. North Memorial has been a strong and steady community partner for Minneapolis as well as a provider of excellent care. For example, their education department works with North High School to expose high school students to health care careers, and Carol Kelsey, North's education director services on the Career Center advisory board.

They are also a long-time sponsor of Healthy Neighbors, a program focused on neighborhood revitalization on the north side of Minneapolis and the Jordan neighborhood.

I respect that your department has a difficult task in reviewing proposals to build in Maple Grove. I do urge you to consider these facts in making your decisions: 1) North Memorial was the first hospital to focus on the northeast side of Minneapolis, and has earned a strong following and one-third of the market share in the Maple Grove area; 2) North has a proven track record as a good community partner and they would be a good partner in the northwest corridor communities, and 3) giving North Memorial the opportunity to grow in the suburban areas would help keep them strong in the urban area. The larger hospital systems have other branch hospitals where they can extend their reach. North Memorial is an independent, one-location hospital, and they need to have access to patient growth areas to keep them strong. Please consider North Memorial as the best partner for a new hospital in Minnesota.

Thank you for your acknowledgement that this decision needs to be made with Minneapolis and Robbinsdale in mind— not just Maple Grove.

Sincerely,

Don Samuels
Minneapolis City Council

Commissioner Dianne Mandernach
Department of Health
85th East Seventh Place, Suite 400
St. Paul , Minnesota 55101

Dear Commissioner Mandernach:

I would like to take this opportunity to share my opinion regarding the report your Department is preparing relating to a future hospital in the Maple Grove area (North West Metro). I represent the New Hope community, which is a part of the North West Metro Area that is currently served by The North Memorial Medical Center. As the Mayor of New Hope and as a resident of North Memorial's service area I am knowledgeable of the excellent care this hospital provides for New Hope's residents as well as the entire area.

I support North Memorial to be the prefer hospital for this needed expansion.

1) North Memorial is the only Hospital that is a Level 1 Trauma Center of all those Applying for consideration. Their Staff is well trained, and able to handle all Emergencies. North Memorial should be given extra consideration for this level of experience.
2) North Memorial is currently serving this community and receives about 20% of its current patient base from the immediate Maple Grove, Rogers, Elk River area the very residents the expansion is to serve. If this portion of North Memorials base is allowed to be served by a different medical facility it could have a very negative effect on North's ability to serve the entire North West Metro Area and my City's residents.
3) North Memorial purposed a very well planned expansion allowing for the improved care of the entire North West Metro area, for the continued great care at it's Robbinsdale Base and the new treatment facility/hospital in Maple Grove.
4) North Memorial Supports my community emergency medical response and transport and their air lift fleet covers a large area of MN. . Again weakening North Memorial by not allowing them access to maintain their current clientele and this controlled expansion will surely hurt North Memorial's ability to maintain itself as a true health care leader and a valuable community member/ contributor.

In summary, I strongly urge you and your staff to endorse North Memorial as the Hospital of choice for the planned Maple Grove expansion as well as their plan to make it happen

Sincerely,

Martin E. Opem Sr.
Mayor of New Hope

CITY OF NEW HOPE

4401 Xylon Avenue North • New Hope, Minnesota 55428-4898 • www. ci.new-hope.mn.us
City Hall: 763-531-5100 • Police (non-emergency): 763-531-5170 • Public Works: 763-592-6777 • TDD: 763-531-5109
City Hall Fax: 763-531-5136 • Police Fax: 763-531-5174 • Public Works Fax: 763-592-6776

bcc: Jerry Pedlar

City of Robbinsdale

4100 Lakeview Avenue North
Robbinsdale, Minnesota 55422-2280
Phone: (763) 537-4534
Fax: (763) 537-7344
www.robbinsdalemn.com

February 14, 2005

Commissioner Dianne Mandernach
Minnesota Department of Health
85 East 7th Place
Suite 400
St. Paul, MN 55101

Dear Commissioner Mandernach:

I would like to take this opportunity to share my perspective regarding the report your department is preparing relating to a future hospital in the Maple Grove area. I serve as Mayor of Robbinsdale, which is the home of North Memorial Medical Center, and I'm well acquainted with North Memorial and its staff.

I would support North Memorial as the organization to build a hospital in Maple Grove because:

- North Memorial is a good neighbor as proven by their participation in the Robbinsdale community, with sponsorship of events and providing numerous volunteers in our community.
- North Memorial Medical Center is the only Level I Trauma Center facility proposing a hospital. As such, they have the experience and depth of trained staff to respond to any level of trauma or injury. Our residents have benefited many times from the care and healing of this trauma staff.
- North Memorial has proposed a very rational approach for moving beds from Robbinsdale to Maple Grove. They are moving the beds to where the patients are moving. Yet, they are also still investing in our Robbinsdale area, with new outpatient services in our neighborhood and by continuing to improve the current hospital.
- As a single, independent hospital, North Memorial needs access to growing communities, such as Maple Grove, in order to stay strong. I'm concerned that if larger hospital systems are the only ones allowed access to new markets that North Memorial's long-term stability could be harmed, which has a direct negative impact on Robbinsdale.

In summary, I would urge you to endorse North Memorial's plan for a hospital in Maple Grove. North has proven itself to be an excellent community partner in Robbinsdale and I know they would continue this tradition of excellence and citizenship in Maple Grove.

Sincerely,

Mike Holtz
Mayor of Robbinsdale

MH:mm

HealthPartners®

November, 2004

To Whom It May Concern:

For over seven years, HealthPartners has enjoyed a positive and successful relationship with North Memorial Medical Center. The decision to make North Memorial a significant partner in our west-metro strategy was based on their high standards and proven track record in the community they serve. It was also based on selecting a partner that demonstrated the same commitment to patient care and desire to continuously look for ways to improve care.

North Memorial is a health care organization that is well respected by physicians. Over 20 years ago, North worked collaboratively with primary care physicians to help establish clinics to serve the northwest region; they encouraged physicians to practice in the area. They are committed to improving care and their actions demonstrate that commitment, with a current marketshare of greater than 50 percent.

It is a well known fact, for several decades, that their Level I Trauma services and emergency transport system have provided peace of mind to the west and northwest regions. In addition, North is the trusted partner for Minneapolis Children's providing top level newborn intensive care services. North offers its partners value by delivering a full range of the best inpatient and outpatient specialty services, including general medical, surgery, cardiology, obstetrics, orthopedics, neurology, and emergency services.

When we began our evaluation process to select a west-metro hospital partner, we looked for qualities that reflect a hospital's long term commitment to a community, the provision and mix of a full-range of specialty services and high ratings with respect to patient satisfaction. North delivered on our selection criteria, and continues to do so.

North has demonstrated its desire to serve all patients in an exceptional manner. Our recent patient satisfaction survey results show that patients rank them at a 95% or greater level in all areas. Examples of areas assessed included: overall satisfaction with hospital care, willingness to recommend the hospital to others, the attention received from nurses and being treated with respect and dignity.

We trust North Memorial as a proven partner in providing the kind of care and service that we expect for the benefit of our patients, our members and the community.

Sincerely,

Mary Brainerd

Mary Brainerd
President & Chief Executive Officer
HealthPartners

MIKE OPAT
COMMISSIONER

612-348-7881
FAX-348-8701
mike.opat@co.hennepin.mn.us

BOARD OF HENNEPIN COUNTY COMMISSIONERS

A-2400 GOVERNMENT CENTER
MINNEAPOLIS, MINNESOTA 55487-0240

November 29, 2004

To Whom It May Concern:

I understand North Memorial Health Care has a comprehensive plan for bringing expanded health care services to the Maple Grove community. As an elected official that represents a number of Northwest suburbs, I strongly encourage you to embrace North Memorial's proposal.

I am very familiar with the outstanding care North Memorial provides and the organization's commitment to our area. When we launched the Northwest Corridor Partnership to transform County Road 81, North Memorial was our first private partner. I know North Memorial is committed to this region for the long-term.

North Memorial has already made significant investments in the Maple Grove area and is a recognized leader in cardiology, ENT, general medicine, gynecology, neonatology, neurology, obstetrical and newborn care, oncology, orthopedics and urology.

As you know, North Memorial's paramedics, emergency physicians and emergency transport personnel have trained and worked with northwest communities' first responders for decades, and their trauma and emergency medicine programs are regional leaders. These services are needed in Maple Grove, and North Memorial is uniquely qualified to provide them. I strongly support their plans for a Maple Grove outpatient health care center and their vision for a hospital on this campus.

Research suggests thousands of area residents already consider North Memorial their "home-town" hospital. I urge your support for North Memorial's plans for expanded health care in Maple Grove. Please contact me if you have questions or would like further information.

Sincerely,

Mike Opat
Hennepin County Board of Commissioners

Minnesota
Neonatal
Physicians, P.A.

Ronald E. Hoekstra, MD
David E. Brasel, MD
Andre J. Nelson, MD
Robert J. Couser, MD
Bonnie G. Landrum, MD
T. Bruce Ferrara, MD
Nathaniel R. Payne, MD
Virginia A. Hustead, MD
Roy C. Maynard, MD
Diane J. Camp, MD
Ellen M. Bendel-Stenzel, MD
Jeanne D. Mrozek, MD
John J. Fangman, MD, PhD (Ret.)

Diane Mandernach
Commissioner
Minn. Dept of Health

12/16/04

Dear Commissioner Mandernach,

I am a physician with Minnesota Neonatal Physicians, an independent thirteen-member group of specialists who provides physician services for ill and premature infants in virtually all of the west metro area hospitals. It is with great enthusiasm that my group endorses the proposal by North Memorial Health Care to develop a hospital in the Maple Grove area. We have worked with North Memorial in providing neonatal care to patients in this area for over 20 years. Patients from this area have benefited greatly by the commitment and expertise North Memorial has provided, and the satisfaction of families with these services has been excellent. In an era of consolidation and expansion of huge health care conglomerates, North Memorial has provided a competitive alternative for patients and payers in this market in a manner that has been beneficial to the communities it serves. The stability of its administration and the clearness of its vision distinguish North Memorial from other entities. Its focus has been to provide top quality services for the families in its geographic service area, which includes Maple Grove. My group looks forward to developing an expansion of services for newborn babies and their families in partnership with North Memorial Healthcare.

Sincerely,

Bruce Ferrara MD
President,
Minnesota Neonatal Physicians

DEC 20 2004

3545 Chicago Ave. S. Suite 512, Minneapolis, MN 55404 • Phone (612) 871-2303 • 24 Hour Care Line 1-888-455-BABY • Email nco@mnneo.org • www.mnneo.org

Monticello-Big Lake Community
HOSPITAL DISTRICT

April 11, 2005

Senator Warren Limmer
Rev. Dr. Martin Luther. Blvd., Room 121
St. Paul, MN 55155-1206

Dear Senator:

The Monticello - Big Lake Hospital District is pleased to support North Memorial Health Cares initiative to build a hospital in Maple Grove. We have had a consulting agreement with North Memorial Health Care since 1990. The agreement includes:

> *Open and active networking of management and staff. It is the intent for District management and staff to develop a peer relationship(s) with management and staff at NMHC. Advice and consultation should flow freely through telephone conversations, mailing, and site visits. The intent is for this exchange of information to be done efficiently and at the lower level in the organization as possible. This networking will include but will not be limited to:*
>
> - *JCAHO accreditation assistance.*
> - *Improving process improvement programs.*
> - *Improving clinical programs and providing clinical experience when appropriate.*
> - *Maintaining a safety and hazardous waste program.*
> - *Strategic planning assistance.*
> - *Information management processes review.*
> - *Financial processes review.*
> - *Participation in ongoing education programs at NMHC.*

In addition we have a contract with North Memorial for Emergency Department 24/7 physician staffing.

We are currently working with North Memorial and Monticello Clinic to build a new clinic facility. Many of the specialists on our staff are affiliated with North Memorial and the new clinic will provide space for new specialists and enhancements for the current specialists.

All the while Monticello - Big Lake Hospital District has maintained its independence and developed as a health care facility to serve the needs of our District residents.

The rapid growth of Maple Grove and its need for additional medical services and a hospital would be well served by North Memorial Health Care.

Sincerely,

Bruce Hamond, Chairman

Linda Doerr, Vice Chair

Bob Dawson, Treasurer

Mark Philbrook, Secretary

Jim Agosto, Director

Marvin Rydberg, Director

Richard Helms, Director

Doug Schneider, Director

1013 Hart Boulevard * Monticello, MN 55362
Phone (763) 295-2945 * www.mblch.com

Ridgeview MEDICAL CENTER

500 South Maple Street • Waconia, MN 55387-1791
952/442-2191 800/967-4620

December 21, 2004

Scott Leitz, Director
Health Economics Program
Minnesota Department of Health
85 East 7th Place, Suite 300
St. Paul, MN 55101

Re: Hospital Bed Moratorium Law as it relates to a proposed hospital in Maple Grove, Minnesota

Dear Mr. Leitz:

As President of Ridgeview Medical Center, Waconia, Minnesota, I'm pleased to provide input into the proposal to build a new hospital in Maple Grove, Minnesota.

This letter is not directed at the specific needs for additional hospital beds within this marketplace. I'm assuming that the Minnesota Department of Health, as well as the prospective applicants, have done their due diligence in regards to the need for a hospital in this marketplace and its affect on area facilities that would provide similar services.

My comments are related to which applicant is best suited to be awarded an exemption from the state's hospital bed moratorium law to construct a hospital within this community. Although all three health systems have provided excellent care and have the financial where-with-all to build and operate an acute care hospital, one of these health systems has compelling differences that should weigh heavily in their favor. Of the three applicants for this exemption, North Memorial Health Care has two factors that tip the scales in its favor. The first significant advantage is that North Memorial Health Care currently serves the majority of patients from this marketplace. Patients obviously have the confidence and knowledge of North Memorial that they actively seek this organization out for their healthcare services.

Secondly, North Memorial Health Care is a single hospital health system. They do not manage or have ownership interest in any other acute care facility in the state of Minnesota. The other two applicants have considerable acute care hospital holdings not only in Minnesota, but also surrounding this marketplace. To award an exemption to construct hospital beds to either the Fairview Health System or Park Nicollet/Allina would continue the current consolidation of health care services within the seven county

metro area and Minnesota as a whole. This would reduce competition without any demonstrable difference in quality or cost.

Assuming that a demonstrated need for acute care hospital beds is determined, I would then encourage the Department of Health to strongly consider North Memorial Health Care as the desired entity to build an acute care hospital in Maple Grove, Minnesota. Should you have any questions or concerns regarding this letter, please don't hesitate to contact my office directly.

Sincerely,

Robert Stevens
President

Cc: Mike Werner, Chairman, Ridgeview Medical Center Board of Directors
Bcc: Dave Cress, Executive Vice President/COO, North Memorial Medical Center

Economic Study

The Impact of North Memorial, Park-Nicollet / Allina / Children's and Fairview Proposals to Build a Maple Grove Hospital on Hospital Competition in the Twin Cities

Robert Town, Ph.D.
University of Minnesota
School of Public Health
and
National Bureau of Economic Research,
Cambridge, MA

Executive Summary

The goal of this analysis is to estimate the impact of the three different Maple Grove hospital proposals on hospital competition in the Twin Cities hospital market. This analysis is based on the results of an econometric model of patient hospital choice for inpatient care. The estimates and resulting simulations suggest four related conclusions:

- The current Twin Cities hospital market is "highly concentrated."
- The North Memorial proposal will result in more competition for inpatient services in the Twin Cities marketplace.
- The Park Nicollet / Allina / Children's and the Fairview Maple Grove proposals will enhance each organization's market power in the metropolitan Twin Cities area resulting in a highly concentrated market becoming more concentrated.
- Hospital prices in the Twin Cities will likely be higher if either the Park Nicollet / Allina / Children's or Fairview Proposals for a Maple Grove hospital are implemented over the North Memorial Proposal.

The lack of hospital competition can be harmful to patient health and patient pocketbooks. Research has shown that an increase in hospital competition leads to lower prices for inpatient care. Furthermore, recent analysis shows that an increase in hospital competition reduces health insurance premiums. Research also suggests that increased hospital competition improves the quality of patient care. Thus, the evidence suggests that patient welfare is best served when hospitals vigorously compete. Hospital prices are lower and the quality of care is higher.

The most widely used measure of competition in the economics literature is the Herfindahl-Hirschman Index (HHI). The HHI is calculated by summing the squared market shares for all of the market participants for a defined product and geographic market. The higher the HHI, the more concentrated the market. Table 1 presents the HHIs for the metropolitan Twin Cities in 2003 and the implied HHIs for each of the three Maple Grove hospital proposals if they were implemented.

Table 1
Herfindahl-Hirschman Index for Adult Inpatient Services under the Different Maple Grove Proposals

Proposal	HHI
North Memorial Proposal	1,867
Park Nicollet / Allina Proposal	1,963
Fairview Proposal	1,921
Current Twin Cities HHI is 1,914	

The results in Table 1 indicate that currently the Twin Cities market is according to the US Department of Justice and Federal Trade Commission "highly concentrated."[1] Relative to other metropolitan areas its size, the Twin Cities market is approximately 20% more concentrated than the median metropolitan area with a population between 2.5 and 3.5 million.

The results in Table 1 show that the North Memorial's proposal for Maple Grove will reduce the HHI and therefore increase hospital competition in the Twin Cities market. The post-construction HHI is estimated to be 1,867 — 2.5% ***decline*** in market concentration. In contrast, both of the Park Nicollet / Allina / Children's and Fairview proposals are predicted to lead to higher concentrations with the Park Nicollet / Allina / Children's proposal ***increasing*** concentration approximately 2.6%. Currently, the Allina system has an approximate 32% market share and the Fairview system has an approximate 19% market share.

Several studies have found that increasing concentration in hospital markets leads to higher hospital prices in California. Using the parameter estimates from two studies that serve to provide an upper and lower bound on the price effects, I calculate the impact of the different proposals on the price of adult inpatient care and the annual total hospital expenditures for the non-Medicare population in the Twin Cities.[2] Table 2 summarizes these results. The North Memorial proposal modestly reduces prices while the other two proposals are predicted to modestly increase the price of inpatient hospital services.

Table 2
Estimated Price Impact from Maple Grove Proposals

Proposal	Lower Bound		Upper Bound	
	Estimated Price Change	Impact on Annual Hospital Expenditures	Estimated Price Change	Impact on Annual Hospital Expenditures
North Memorial Proposal	-.2%	-$2.1 million	-.5%	-$5.2 million
Park Nicollet / Allina / Children's Proposal	.2%	$2.1 million	.5%	$5.2 million
Fairview Proposal	.02%	$209,000	.08%	$834,000

[1] According to the US DOJ/FTC *Merger Guidelines* a market with a HHI between 1,000 and 1,800 is considered "moderately concentrated," and a market with a HHI over 1,800 is considered "highly concentrated."

[2] The estimates from Dranove and Ludwick (1999) provide the upper bound and the estimates from Keeler, Melnick and Zwanziger (1999) provide the lower bound. Both studies are published in the *Journal of Health Economics*, 18 (1). Hospital revenue information is from Medicare Cost Reports.

The decision of which hospital system should build in Maple Grove will impact hospital competition into the foreseeable future. In order to get a sense of the long term impact of the different proposals on health care expenditures I calculate the 10-year present discounted value expressed in current dollars of the hospital expenditures effects in Table 2. Table 3 presents those calculations.

Table 3
Estimated Cumulative 10-year Impact of Maple Grove Proposals

Proposal	Lower Bound		Upper Bound	
	Estimated Price Change	Impact on Hospital Expenditures	Estimated Price Change	Impact on Hospital Expenditures
North Memorial Proposal	-.2%	-$17.6 million	-.5%	-$43.6 million
Park Nicollet / Allina / Children's Proposal	.2%	$17.6 million	.5%	$43.6 million
Fairview Proposal	.02%	$1.76 million	.08%	$7.0 million

Note: Calculations assume discount factor of 4%

Over a 10-year period there is an approximate $87 million differential impact on health care expenditures between the North Memorial and the Park Nicollet / Allina / Children's Proposal using the upper bound estimates. The estimated differences in the impact between the North Memorial and Fairview proposals are smaller, but nonetheless substantial. If the Fairview proposal is implemented hospital expenditures over this 10-year period are expected to increase $50 million over North Memorial proposal.

Affiliations

Physician Residency Programs

Affiliation Agreements
Between
North Memorial Health Care
and
Universities/Affiliation in the State of Minnesota
April 2005

University/Affiliation	Physician Residency Programs
University of Minnesota	Anesthesia Colon/Rectal Surgery Family Practice General Surgery Neurology Oral Surgery Plastic Surgery
Smiley's Clinic	Family Practice
HCMC	Emergency Medicine Vascular Surgery
Regions	Emergency Medicine

Nurses and Other Health Care Professionals

Education Affiliation Agreements
Between
North Memorial Health Care
and
Colleges/Universities in the State of Minnesota
April 2005

College/University	Degree Program(s)
Anoka Ramsey Community College	RN, AS (2 year program) Physical Therapy Assistant
Anoka-Hennepin Technical College	Medical Assistant Phlebotomy Surgical Technology Occupational Therapy Assistant (OTA) Practical Nursing Sterile Processing
Argosy University	Medical Laboratory Technician Histology Technician Medical Assistant
Augsburg College	Physician Assistant (PA) Social Work
Bethel University	Nursing, RN, BSN
Century College	Nursing, AA (2 year) Pharmacy Tech Paramedic

College/University	Degree Program(s)
Dakota County Technical College	Biomedical Equipment Technology
Hennepin Technical College	Health Unit Coordinator Emergency Medical Technician -Basic (EMT-B) -Intermediate (EMT-I) -Emergency Room Technician -Phlebotomy
Inver Hills Community College	Nursing, AA (2 year) Paramedic
Lake Superior College	Respiratory Care Practitioner Nurse Refresher
Minneapolis Community and Technical College	Perioperative Nursing
Minnesota State University, Mankato	Speech Pathology Cardiac Rehab Nursing, BSN
Normandale Community College	Nursing, AS (2 year) Dietetic Technician, AD
North Hennepin Community College	Noninvasive Cardiology Technology Nursing Assistant Nursing, RN, AD

College/University	Degree Program(s)
College of St. Catherine	Medical Records/Health Information Specialist, AAS Nursing, AAS Occupational Therapy Assistant (OTA) Occupational Therapist Phlebotomy Physical Therapist, MPT Physical Therapy Assistant Respiratory Therapist, AAS Social Work, BSW & MSW Sonography, AAS
St. Paul Technical College	Respiratory Care Practitioner Medical Laboratory Technician
St. Scholastica, College of	Physical Therapy, MA Occupational Therapy Nursing
University of Minnesota	Communication Disorders Dietetics, BS and Masters Genetic Counseling, Graduate Program Occupational Therapy, BS and Masters Physical Therapy, Masters Nursing, BS & Masters Pharmacy
University of Minnesota – Duluth	Communication Sciences and Disorders
Winona State University	Clinical Nurse Specialist, Masters

Nurses and Other Health Care Professionals

Education Affiliation Agreements
Between
North Memorial Health Care
and
Out-of-State Colleges/Universities
April 2005

College/University	Degree Programs(s)
Creighton University *Omaha, Nebraska*	Nursing
Graceland University *Independence, Missouri*	Nursing
North Dakota State University *Fargo, North Dakota*	Lifestyles Management
St. Louis University *St. Louis, Missouri*	Physician Assistant
University of Iowa *Iowa City, Iowa*	Physical Therapy
University of North Dakota *Grand Forks, North Dakota*	Physical Therapy
University of South Dakota *Vermillion, South Dakota*	Physician Assistant
University of Wisconsin System • *Eau Claire* • *LaCrosse* • *Madison* • *River Falls*	Occupational Therapy Physical Therapy Speech Pathology

Emergency Medical Technician/Paramedic

Education Affiliation Agreements
Between
North Memorial Health Care
and
College/Affiliation
April 2005

College/Affiliation	Clinical Internship Programs
Anoka Ramsey Community College	Shared with hospital for RN's
Avera Mckennon Hospital	Emergency Medical Technician/Paramedic
Century College	Shared contract with the hospital
Emergency Training Associates	Emergency Medical Technician/Paramedic
Hennepin Technical College	Emergency Medical Technician
Inver Hills Community College	Emergency Medical Technician Emergency Medical Technician/Paramedic
Lake Superior State College	Emergency Medical Technician/Paramedic
North Hennepin Community College	Shared with hospital for RN's
South Central Technical College (Mankato)	Emergency Medical Technician/Paramedic
University of Iowa Hospital and Clinics	Emergency Medical Technician/Paramedic

UNIVERSITY OF MINNESOTA

Twin Cities Campus

Academic Health Center
Office of the Senior Vice President for Health Sciences

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426 Church Street S.E.
Minneapolis, MN 55455-0374

Testimony of Frank B. Cerra, M.D.
Senior Vice President for Health Sciences
McKnight Presidential Leadership Chair
University of Minnesota
April, 2005
To the Senate Health and Human Services Budget Division, and the Health and Family Security Committee

I'd like to thank you for this opportunity to provide testimony on the need for new health facilities to serve the community of Maple Grove and the surrounding area.

We have a unique partnership with Fairview Health Services, initiated in 1997 when they purchased the University of Minnesota Hospitals and Clinics. This partnership has become a national model for a public-private partnership that effectively supports the education and research mission of an Academic Health Center while competing in the health marketplace.

I'd like to also make the point that the health professional schools of the University of Minnesota are dependent on each and every health system, hospital, and clinic in the State of Minnesota for the success of our education and training programs.

- We have major affiliations with Veterans Administration Medical Center, Hennepin County Medical Center, and Regions Hospital, and strong relationships with such major health systems as Park Nicollet, North Memorial, and Allina.
- We also have affiliation agreements with more than 400 communities, clinics, and health facilities throughout the state of Minnesota.
- We are dependent on these relationships for the teachers and facilities needed to educate and train the next generation of health professionals who serve the health needs of those communities.

The Regent's approved practice plan at the Medical School, University of Minnesota Physicians, is core to the mission of the Medical School. Simply stated, our clinical faculty can not teach if they do not practice, and furthermore without practice students can not learn. Their primary teachers are the faculty who practice at UMPhysicians. UMPhysicians provides core financial support to the operations of the Medical School and competes with all other practices in the state within the same health marketplace. And, with declining state support, the importance of that revenue to the Medical School has increased.

When Fairview purchased UMHC in 1997, it created a special relationship with Fairview around the University's Hospital. UMPhysicians is a primary partner in the success of Fairview's University Medical Center. We see this development in Maple Grove as an important part of this partnership, as a clinical training site for students and residents and for the provision of specialty and subspecialty services in that community.

Finally, we were pleased to learn from studies performed in Maple Grove that the people who live there value the presence of the University in their community.

FAIRVIEW

Statement of Agreement: Fairview and Attorney General Mike Hatch

Shared goal: provide needed, high-quality health care to our patients, regardless of income.

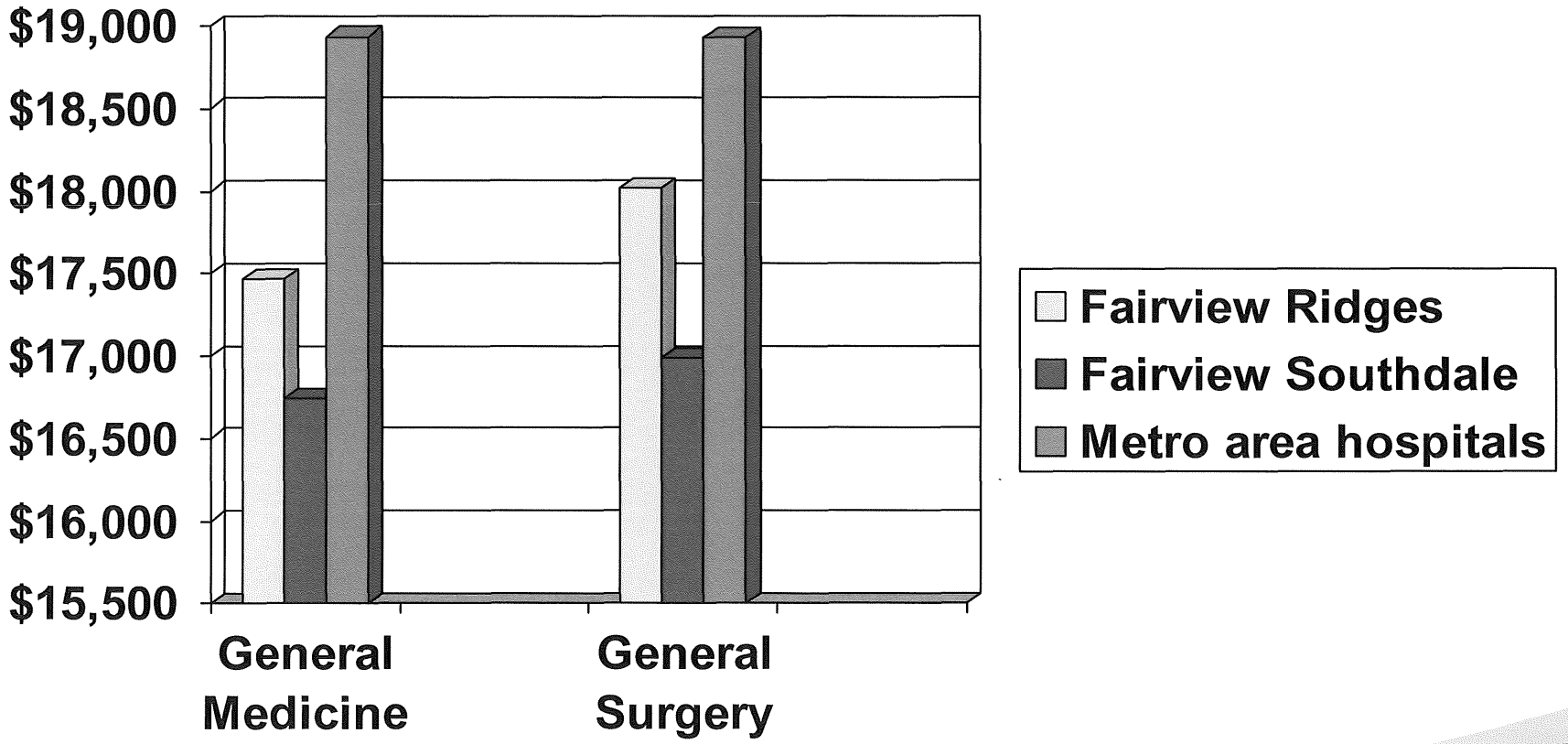
- Central to our mission is extending free or discounted care to those who qualify.
- We don't want to pursue those who can't pay; but we must pursue those who can pay.

The Collections Standards Agreement provides for:

- Third party review before Fairview files a lawsuit to collect medical debt.
- Third party review before Fairview garnishes wages or bank accounts. Fairview will not use pre-judgment garnishments.
- Certain other collection procedures, audits and policies.
- Binding arbitration for hospital accounts over $1,000.
- Two-year term of agreement

Independent of the Collections Standards Agreement, Fairview modified its existing Charity Care Policy to increase the maximum threshold from 400 percent of the federal poverty guidelines to 450 percent of federal poverty guidelines. The discount at this maximum level was increased from 30 percent to 40 percent.

Fairview is a leader in providing high-quality, low-cost inpatient care in the Twin Cities



INSTITUTE FOR ATHLETIC MEDICINE®

A service of Fairview and North Memorial

Orthopedic and Sports Rehabilitation

Physical therapy, athletic training and chiropractic services

Apple Valley
Bandana Square
Bloomington
Brooklyn Park
Burnsville
Eagan
Eden Prairie
Edina
Elk River
Highland Park
Lino Lakes
Maple Grove
Maplewood
Minneapolis
Minnetonka
N.E. Minneapolis
Osseo
Plymouth
Robbinsdale
Roseville
WestHealth
Woodbury

The Institute for Athletic Medicine offers complete, state-of-the-art orthopedic and sports physical therapy and rehabilitation services for people of all ages and skill levels. Our physical therapists and certified athletic trainers are committed to caring for people with musculoskeletal injuries.

We get you back in the game of life

Injury can take your time away from children, community activities, recreation and work – the activities of life. At the Institute for Athletic Medicine, our goal is to return you to health by helping you recover from or prevent injury or chronic musculoskeletal problems.

Our physical therapists, athletic trainers and chiropractors understand the unique physical demands of athletics as well as the effects of overuse, poor physical condition, surgery and aging. We work closely with you and your physician to design a treatment plan to get you back in the game of life.

Comprehensive services include:

- orthopedic and sports physical therapy treatment
- specialized sports- and movement-specific treatment programs
- services to prevent injury at home, work or play
- special obstetric/gynecologic physical therapy services for women

Specialized services

(Available at some locations)

- chiropractic care
- MedX, computerized medical back rehabilitation technology
- industrial rehabilitation

Sports- and movement-specific programs

Our staff has developed clinical expertise unavailable elsewhere, providing you with the highest quality care.

- ***Back In Balance Program***

  Physical therapists who understand the complexities of the back work with you individually to evaluate and treat low-back problems using MedX computerized rehabilitation equipment. Therapists help you learn to care for your back and minimize your risk of future back problems through core muscle strengthening and physical activity.

- ***Golf Program***

  Suited for the dedicated golfer, the Golf Program works to get you back in the swing. Physical therapists complete a biomechanical assessment and video analysis of your golf swing, test your golf-specific muscle strength and movement and design an exercise program to enhance your strength and flexibility while minimizing injury.

(continued on back)

Institute for
Athletic Medicine
775 Prairie Center Dr.
Suite 250
Eden Prairie, MN 55344
612-672-7278
www.athletic-medicine.org

- ***Next Step Program***

  Next Step is a 5-week, 10-session sports rehabilitation program that bridges the gap between in-clinic sports injury rehabilitation and your return to high-intensity sport activities. Physical therapists and certified athletic trainers work one-on-one and in group settings to help you improve strength, endurance, agility, coordination, speed and confidence necessary to competitive play.

- ***Running Program***

  Physical therapists and athletic trainers work with you to design an individualized program to help you improve running mechanics and maximize your performance. Take advantage of a video analysis of your running gait as well as strength, endurance and flexibility testing and shoe recommendations.

- ***Thrower's Injury Program***

  With an understanding of the unique mechanical requirements of throwing, physical therapists develop a return-to-throwing program to improve strength, mobility and throwing mechanics to prevent further injury. Therapists analyze video to evaluate your throwing or pitching motion, pinpointing causes of injury.

- ***For Women Only***

  Changes in a woman's body brought about by pregnancy, aging or illness often result in discomfort, loss of mobility and lifestyle changes. Because women have unique medical needs during childbearing years and beyond, *For Women Only* offers exercise programs for the prenatal and postpartum woman, and physical therapy for low-back pain during pregnancy, incontinence/pelvic floor weakness and osteoporosis.

A convenient clinic near you

The Institute for Athletic Medicine has 23 convenient neighborhood clinics in the metro area offering extended hours.

For more information

For more information about our programs and clinic locations, call the Institute for Athletic Medicine's information line, **612-672-7278.**

To schedule an appointment

Call our centralized appointment number, **612-672-7100**. We accept self-referrals and a wide range of health plans. Check with your insurance carrier about coverage.

For treatment of a sports injury

For advice on treating a sports injury or to schedule a personal evaluation, call the 24-hour Athletic Medicine Hotline, **952-920-8850.**

The Institute for Athletic Medicine is a service of Fairview Health Services and North Memorial Health Care.

FAIRVIEW

Fairview Health Services Fact Sheet

Maple Grove Hospital Survey

Fairview Health Services surveyed residents in Northwestern Hennepin County to determine their views on a variety of subjects relating to the proposed Maple Grove hospital.

Key findings

Timing

- Nearly 85 percent (84.8%) of residents surveyed believe it is important that a new Maple Grove hospital be under construction in the next 12 months.
- Nearly 84 percent (83.5%) of residents believe it is important that the Minnesota Legislature approve a new Maple Grove hospital this year.

Fairview is the only provider competing for a Maple Grove hospital that:

- **Already owns land for a Maple Grove hospital**
- **Has the various local permissions needed to proceed**
- **Has been planning to build in Maple Grove for five years**
- **Can have a hospital under construction in the next 12 months if approved this legislative session**

Services

- Nearly 87 percent (86.5%) of residents believe it is important that the new Maple Grove hospital provide access to the services offered by University of Minnesota Physicians.
- Nearly 88 percent (87.8%) of residents believe it is important that the new Maple Grove hospital offer the best access to the latest medical advances of the University of Minnesota.

Fairview Maple Grove is a partnership of Fairview Health Services, University of Minnesota Physicians, and Fairview-University Children's Hospital. As the only partnership with the world-class doctors at the University of Minnesota Medical School, Fairview Maple Grove will provide residents of Northwestern Hennepin County with direct access to specialty care and the latest medical breakthroughs.

- More than 80 percent (80.3%) of residents believe it is important that the new Maple Grove hospital offer affiliated senior assisted living services.

  Fairview owns Ebenezer, one of Minnesota's most respected providers of compassionate, community-centered care for older adults and others in need. Fairview can bring to Maple Grove the expertise of Ebenezer to provide older adults access to a full range of coordinated programs and services, including senior housing, assisted living, memory care, transitional and long-term care, adult and intergenerational programs, and a variety of community-based services.

- Nearly 79 percent (78.5%) of residents believe it is important that the new Maple Grove hospital offer mental health, behavioral health, and chemical dependency services.

  Fairview's proposal is the only one with a significant commitment to establishing a mental health, behavioral health, and chemical dependency unit in Maple Grove.

Competition

- More than 88 percent (88.3%) of residents believe it is important that the new Maple Grove hospital offer new health care options.

  Fairview Maple Grove would add a new choice to the health care scene in Northern Hennepin County, which would:
  - **broaden the array of services available**
  - **help hold down costs for consumers**
  - **bring the innovation of Fairview University Medical Center to local residents**

Survey facts

- The survey was conducted March 23 and 24, 2005 by the Tarrance Group, an independent polling firm based in Alexandria, Virginia.
- The survey was conducted through telephone interviews of 400 randomly selected registered likely voters in Minnesota Senate District 32 in Northwestern Hennepin County. Senate District 32 includes the cities of Maple Grove, Osseo, Corcoran, Dayton, Rogers, Hassan, and Hanover.
- The survey has a confidence level of 95% and a margin of error of 4.9%.
- The survey was designed to meet the high statistical standards of media-sponsored polls.

FAIRVIEW

Fairview Maple Grove Health Care Campus

	Fairview Health Services	North Memorial Medical Center	Tri-Care Partnership
Collaborative partners	• University of Minnesota Physicians • Fairview-University Children's Hospital • Ebenezer Senior Care	None	• Park Nicollet • Children's Hospital • Allina Health Systems
Opening date for hospital	2007	2008	2008
Beds – 2007/2008 2013 and beyond	120 Beds Total Beds 284	80 Beds Total Beds 260	60 to 100 Beds Total Beds 250
Moratorium request	Transfer Licensed Non-operating	Transfer Current Operating	New Licensed Beds
Number and type of hospital beds 2008-2009	OB 24 beds Psych 20 beds Other 76 beds	OB 7 beds Psych 4 beds Other 78 beds	OB 12-16 beds Psych 0 beds Other 56-80 beds
Number and type of hospital beds 2013 and beyond	OB 34 beds Psych 28 beds Other 212 beds	Not Defined in Application Other 260 beds	Not Defined in Application Other 250 beds
Cost of project Initial - 2006	$47M for Ambulatory Center	$117 M for Medical Office Building and Ambulatory Center	Not provided in application
Phase II - 2008	$64.8M to $90M for Hospital Facility	$58M for Hospital Facility	$72M for Hospital Facility
Bond ratings (S&P)	A	A	New organization - Unknown
Site size and ownership	26.7 acres Owned by Fairview Purchased 2002	30 acres Not owned by applicant Requires new bridge for access	84 acres Not owned by applicant

FAIRVIEW
Fairview Health Services

2450 Riverside Avenue
Minneapolis, MN 55454-1395
Tel 612-672-6300

Fairview's number one strategy for future success is clinical excellence. Fairview has adopted the six aims recommended by the Institute of Medicine and pledge to provide care that is safe, timely, effective, efficient, equitable and patient-centered. Indicators reflecting the organization's performance against this pledge are tracked in the Fairview Greenbook and shared broadly. Executive incentive compensations is partially linked to clinical performance improvement.

Fairview is committed to collaborating with other organizations to improve care. Fairview plays a major role in efforts related to quality and safety within Minnesota and nationally. David R. Page, CEO and other senior leaders actively participate in efforts including the Institute for Clinical Systems Improvement (ICSI), the Minnesota Community Measurement Project, Safest in America (a community-wide collaborative on safety), the Minnesota Alliance for Patient Safety (MAPS – a multi-stakeholder consortium focused on safety), and the Minnesota Hospital Association Committee on Safety. Fairview is a member of the National Patient Safety Foundation (NPSF). Mr. Page is a founding board member of NPSF. Mr. Page was the first individual recognized by MAPS for individual leadership in Patient Safety.

Fairview is committed to greater accountability and transparency in health care. Fairview is one of 270 hospitals nation-wide participating in the Center for Medicare and Medicaid Service (CMS) Incentive Demonstration Project. Two Fairview hospitals rank in the top 10% nationally in cardiac care (I.e. Acute Myocardial Infarction and congestive heart failure). Some of our other hospitals do not rank in the top 2 deciles in coronary care. We are committed to being open about the quality care we deliver and doing everything in our power to improve.

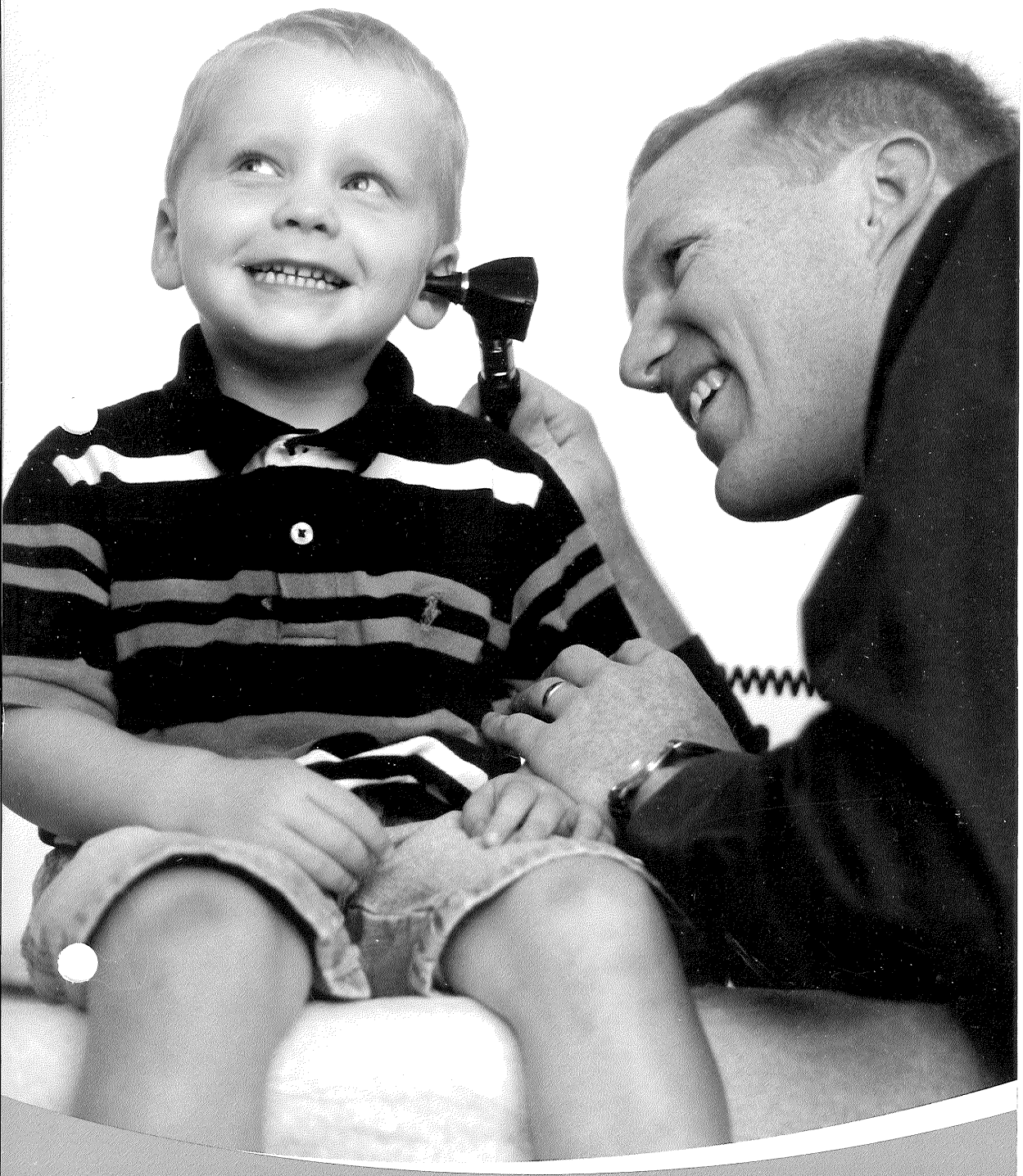
Hospital Quality Incentive Demonstration Project
October 2003 – September 2004

	AMI (Acute Myocardial Infarction)	CABG (Coronary Artery Bypass Graft)	HF (Heart Failure)	Pneumonia	Hip & Knee
FUMC	5	8	7	9	2
Southdale	-	2	-	8	2
Lakes	1	-	1	2	N/A
Northland	10	-	9	10	9
Ridges	8	-	7	6	1

*** # Indicates the decile the hospital falls into in relation to the other hospitals in the project.
E.g. #1 means the top 10%, #2 means the top 20%

Growing *with* Maple Grove

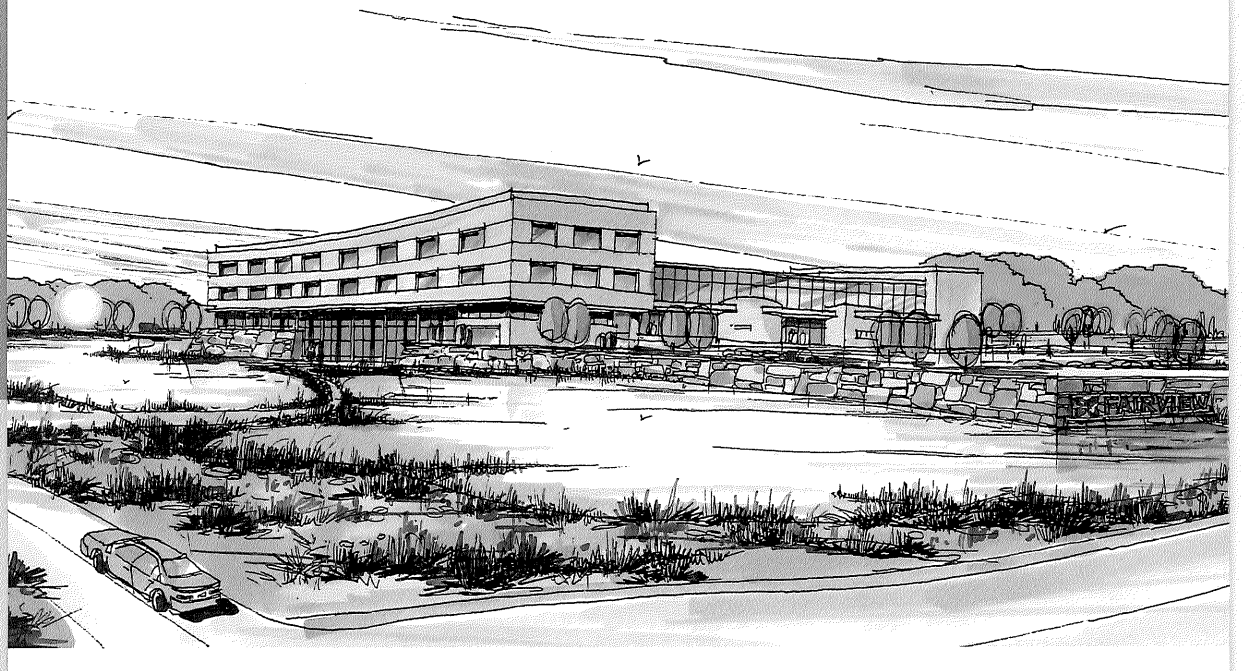
Fairview, a neighbor you already know



FAIRVIEW

Maple Grove is a vibrant community, growing with families who are active and involved. **Fairview** is your neighbor, providing primary and specialty care. You've known us in the community for years as:

- The Institute for Athletic Medicine;
- Behavioral and chemical dependency services in Maple Grove area schools; and,
- Fairview Physician Associates.



Fairview Maple Grove Health Care Campus. The site is optimal — just a block away from Maple Grove Senior High and easily accessed by residents.

Fairview Maple Grove Health Care Campus

Fairview has a history unequaled in Minnesota of working with local residents to develop health care services that meet specific community needs. For the past few years, we have worked with our neighbors and the City of Maple Grove to understand and respond to the community's long-term growth and health care needs. Together, we developed a plan to provide comprehensive medical services in the community — much more than a branch hospital, or a rush to be first. The plan calls for a local board of directors, including community members and medical staff, to provide leadership.

The time is right to take action. In 2002 , we purchased land and we've secured approval for our health campus from the Maple Grove City Council.

Our plan responds to your health care needs. We want to continue learning from you how we can best serve you into the future. We will break ground on the health care campus in the spring of 2005 to provide:

- Community-based urgent care
- Primary and specialty care for children and adults
- High-tech diagnostic services
- Same-day surgical center
- Cancer care services
- Chemical dependency and mental health services

Pending legislative approval, we will construct a 70-100 bed hospital with emergency services and the potential to expand over time to 284 beds if the community has that need.

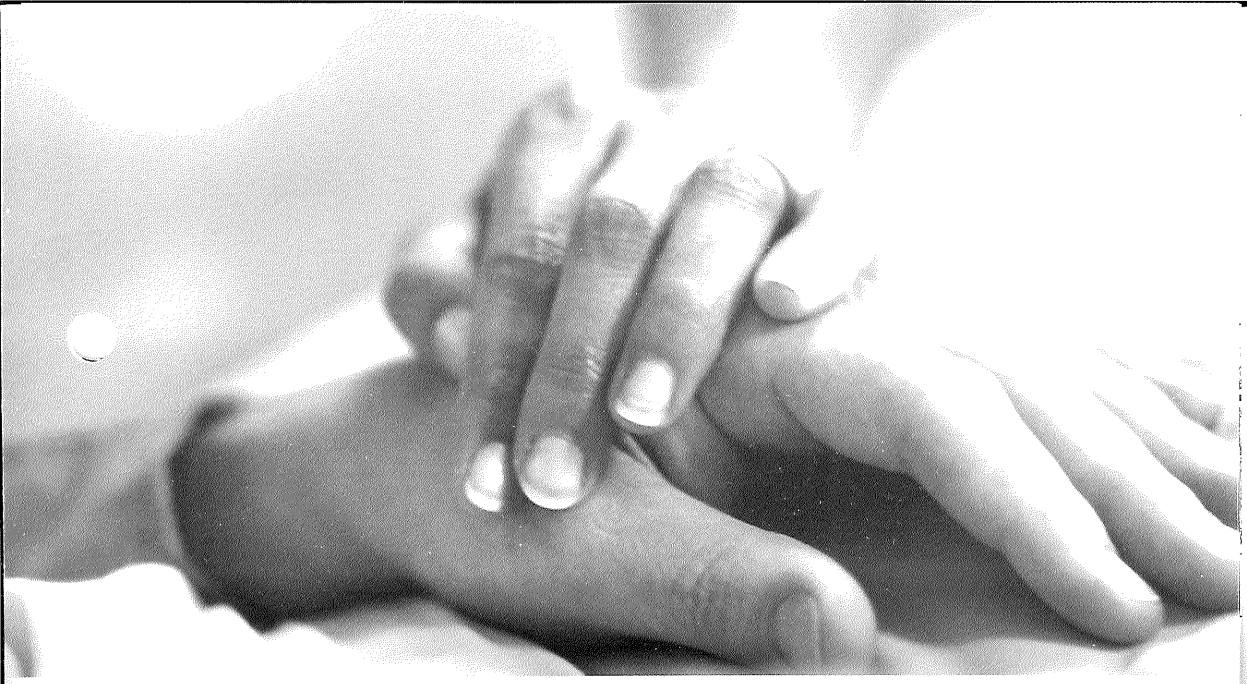
World-class care in Maple Grove

The residents of Maple Grove and its surrounding communities want exceptional health care, and we can provide it through our partnership with the world-class doctors of University of Minnesota Physicians.

Together, Fairview and University of Minnesota Physicians will deliver Maple Grove breakthrough medical treatment with the compassion of community-based medicine.

UNIVERSITY
of MINNESOTA
PHYSICIANS

Tracy Prosen, M.D., OB/GYN Physician's Specialist, visits with an expectant mother.

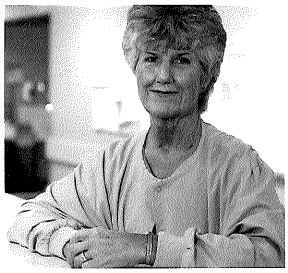


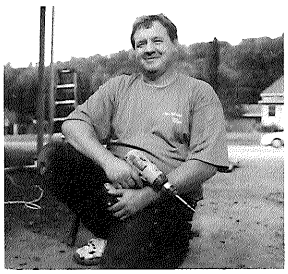
The Fairview Story: a century of faith and service

Since 1906 Fairview has been dedicated to improving the health in the communities we serve. The Fairview Association, a group of more than 60 Lutheran churches, keeps us connected and accountable directly to our pledge.

Today Fairview provides every level of care — from basic health care advice aimed at preventing disease, to the most complex and technically challenging medical procedures known to modern science.

As Fairview grows in Maple Grove, we pledge to continue providing health care services that are accessible, easy to use, affordable, responsive and comprehensive.





Fairview's tradition of volunteerism reaches into many parts of the community.

We want to hear from you

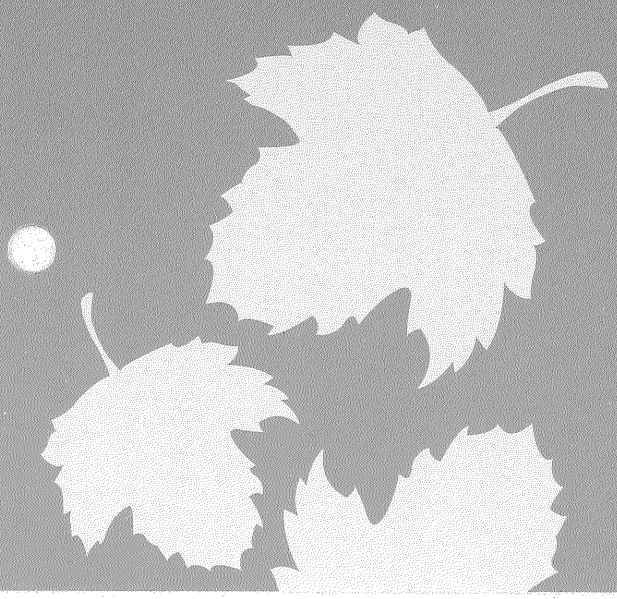
Our Maple Grove service plan is based on what your community needs. Over time, your needs will change and we want you to share your thoughts with us. We will always want to know what we can do to better serve you.

Contact us with any comments or questions you have about the Fairview Maple Grove Care Campus.

Telephone: 763-494-7620
E-mail: fvmaplegrove@fairview.org
Web: fairview.org/maplegrove

Wendy, Fairview employee and mom, volunteers with a local Girl Scout troop.

We want to hear from you.



For more information or to indicate your support for the new Fairview hospital, use this reply card or visit *www.fairview.org/maplegrove*.

Please check one or both of the following:

- ☐ **Keep me informed.**
- ☐ **I support a new Fairview hospital in Maple Grove.**

NAME

EMAIL ADDRESS

STREET ADDRESS

CITY, STATE, ZIP

PHONE NUMBER WITH AREA CODE

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

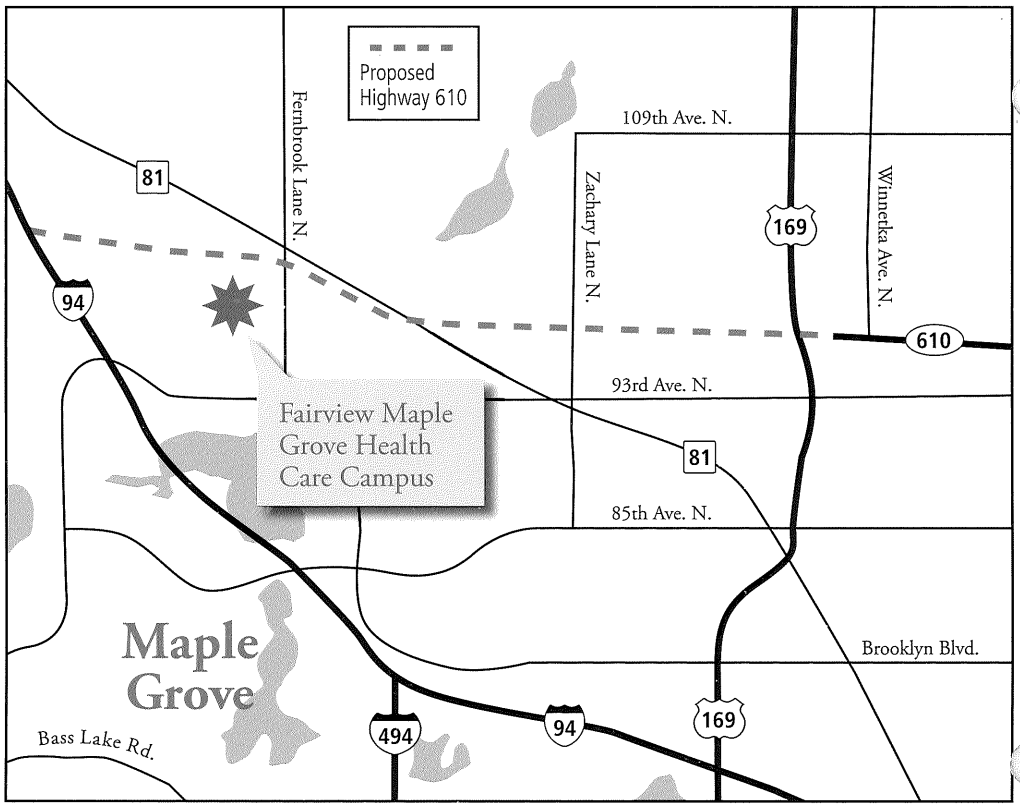
BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO 10816 MINNEAPOLIS MN

POSTAGE WILL BE PAID BY ADDRESSEE

FAIRVIEW

Fairview Maple Grove
Health Care Campus
7767 Elm Creek Blvd. N., Ste. 110
Maple Grove, MN 55369-7033



FAIRVIEW

Fairview Maple Grove
Health Care Campus
7767 Elm Creek Blvd. N., Ste. 110
Maple Grove, MN 55369-7033

Augsburg Academy

FOR HEALTH CAREERS

A charter high school
sponsored by
Augsburg College and
Fairview Health Services

challenging courses certified teachers

Augsburg Academy for Health Careers is a public charter high school sponsored by Augsburg College and Fairview Health Services. We prepare students for health careers and postsecondary studies. We welcome all students in grades 9, 10 and 11 to join our hands-on, academically focused school.

This exceptional school taps the special resource and commitment to public education of several organizations that have formed a collaborative called Faith in the City. They are:

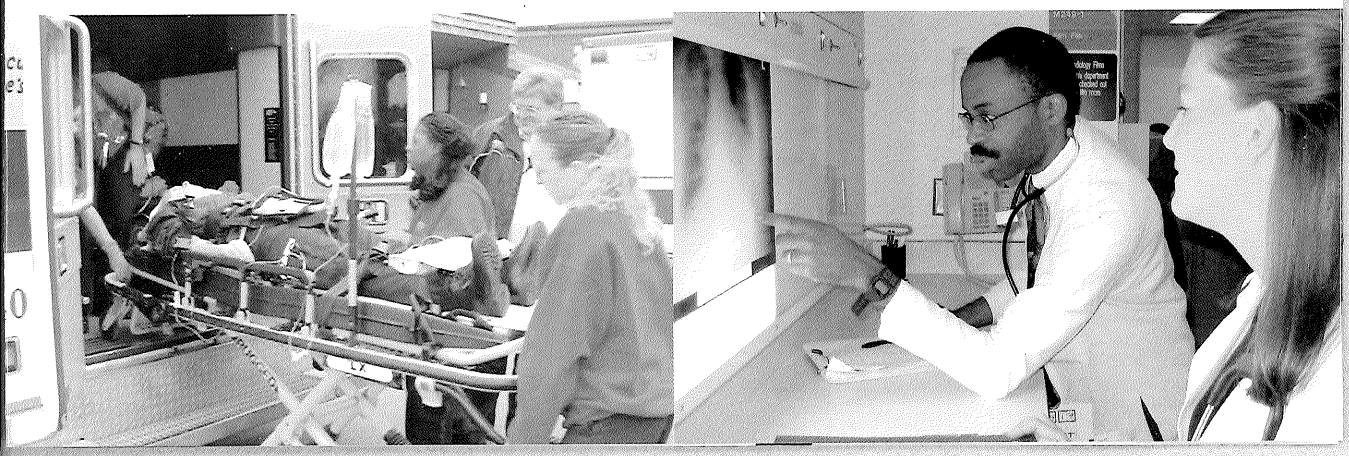
Augsburg College
Central Lutheran Church
Luther Seminary
Thrivent Financial for Lutherans
Augsburg Fortress Publishers
Fairview Health Services
Lutheran Social Service of MN

hands-on experience individual mentors

Find your place at Augsburg Academy for Health Careers where students work and learn together to prepare for a future in health care and for post secondary studies in your special area of interest.

- *Augsburg Academy for Health Careers opens September 6, 2005*
- *The school includes grades 9, 10 and 11, - in 2006, 12th grade*
- *We are located at 1326 Energy Park Drive, in St. Paul, between Snelling and Lexington, across from Bandana Square*
- *Enrollment forms are available at www.augsburgacademy.org or by calling 651-645-5698*

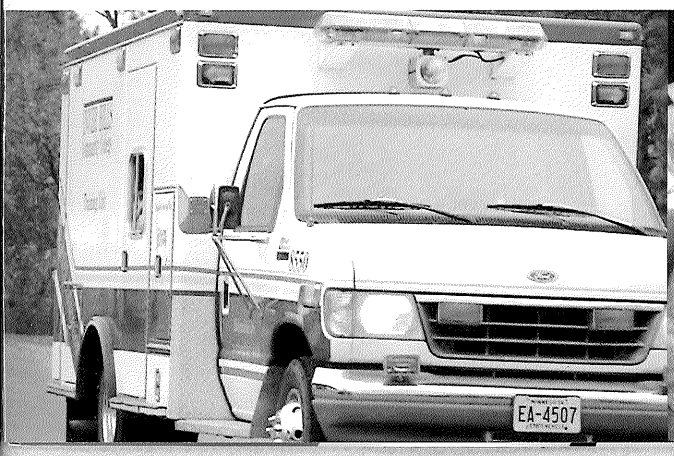
If you love science and think a health care-related field might be the perfect fit for you, jump start your future at Augsburg Academy for Health Careers. We are a public charter high school with teachers and mentors who care about science and health care... and you.

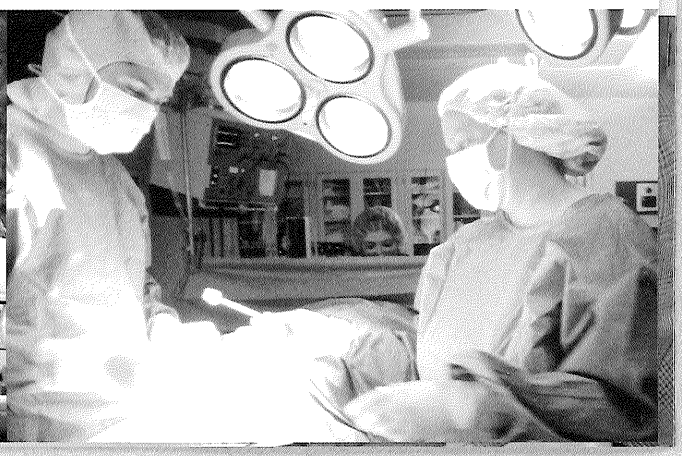


Students will have the unique opportunity to serve others as they learn about matters of health – their own as well as those in the community.

What is special about Augsburg Academy for Health Careers?

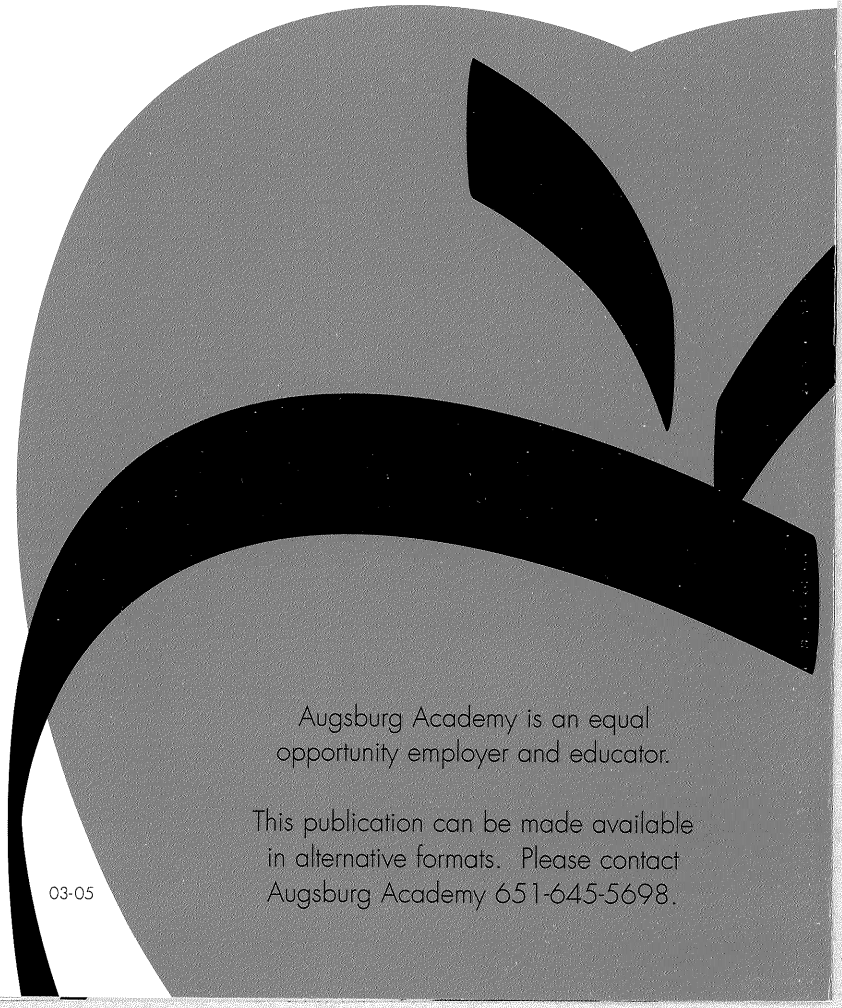
- *Students explore the world of health careers*
- *A strong preparation in math and science*
- *A health care mentor for each student*
- *Training and certification as*
  Emergency Medical Technicians,
  First Responders,
  Certified Nursing Assistant
- *Emphasis on personal health and wellness*
- *School Partners: Augsburg College, Fairview Health Services and Mayo Clinic*





"Everyone can be great, because everyone can serve"

Dr. Martin Luther King



Augsburg Academy
FOR HEALTH CAREERS

1326 Energy Park Drive
St. Paul 55108

651-645-5698
www.augsburgacademy.org

03-05

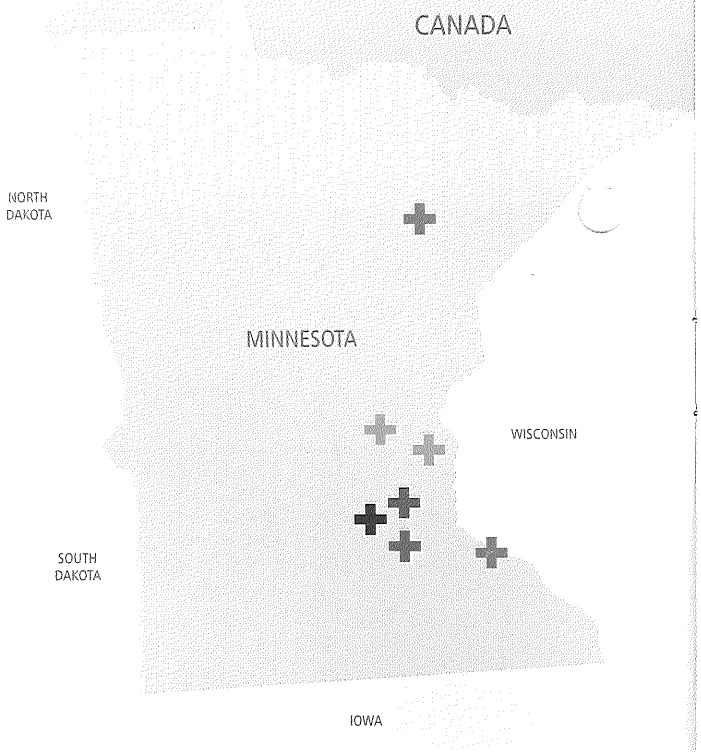
Augsburg Academy is an equal opportunity employer and educator.

This publication can be made available in alternative formats. Please contact Augsburg Academy 651-645-5698.

Overview

The services, departments & businesses of Fairview Health Services

FAIRVIEW



Fairview Health Services

A community-based health care system.

Fairview provides a complete range of services, from prevention of illness and injury to care for the most complex medical conditions. Services are provided in many settings, including clinics, hospitals, community centers, homes and long-term care centers throughout Minnesota.

For information or resources not covered in this brochure, contact us at 612-672-7272 or visit us online at www.fairview.org.

Fairview Range Region

- Fairview-University Medical Center-Mesabi in Hibbing
  surrounding area includes primary care clinics, pharmacy, specialty services and senior programs

Fairview Northland Region

- Fairview Northland Regional Hospital in Princeton
  surrounding area includes primary care clinics, specialty services, senior programs and pharmacies

Fairview Lakes Region

- Fairview Lakes Regional Medical Center in Wyoming
  surrounding area includes primary care clinics, specialty services, senior programs and pharmacies

Fairview Metro Region

- Fairview-University Medical Center in Minneapolis
- Fairview Southdale Hospital in Edina
- Fairview Ridges Hospital in Burnsville
  surrounding area includes primary care clinics, specialty services, senior programs and pharmacies

Fairview Red Wing Region

- Fairview Red Wing Medical Center in Red Wing
  surrounding area includes primary care clinics, specialty services and senior programs

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FAIRVIEW HOSPITALS

Fairview Lakes Regional Medical Center
5200 Fairview Blvd.
Wyoming, MN 55092
651-982-7000

Fairview Northland Regional Hospital
911 Northland Dr.
Princeton, MN 55371
763-389-1313

Fairview Red Wing Medical Center
701 Fairview Blvd.
Red Wing, MN 55066
651-267-5000

Fairview Ridges Hospital
201 Nicollet Blvd.
Burnsville, MN 55337
952-892-2000

Fairview Southdale Hospital
6401 France Ave. S.
Edina, MN 55435
952-924-5000

Fairview-University Children's Hospital
500 Harvard St.
Minneapolis, MN 55455
612-273-3000

Fairview-University Medical Center
Riverside Campus
2450 Riverside Ave.
Minneapolis, MN 55454
612-672-6000

University Campus
500 Harvard St.
Minneapolis, MN 55455
612-273-3000

Fairview University Medical Center - Mesabi
750 34th St. E
Hibbing, MN 55746
218-362-4881
toll free: 888-870-8626

FAIRVIEW CLINICS

Fairview Cedar Ridge Clinic
15650 Cedar Ave. S.
Apple Valley, MN 55124
952-997-4100

Fairview Chisago Lakes Clinic
11725 Stinson Ave.
Chisago City, MN 55013
651-257-8499

Fairview Crosstown Clinic
6545 France Ave. S.
Minneapolis, MN 55435
952-848-5600

Fairview Eagan Clinic
1440 Duckwood Dr.
Eagan, MN 55122
651-406-8860

Fairview EdenCenter Clinic
830 Prairie Center Dr.
Eden Prairie, MN 55344
952-826-6500

Fairview Ellsworth Clinic
230 West Cairns
Ellsworth, WI 54011
715-273-5061

Fairview Hiawatha Clinic
3809 42nd Ave. S.
Minneapolis, MN 55406
612-721-6261

Fairview Highland Park Clinic
2155 Ford Pkwy.
St. Paul, MN 55116
651-696-5000

Fairview Jonathan Clinic
1580 White Oak Dr.
Chaska, MN 55318
952-448-3500

Fairview Lakes Lino Lakes Clinic
7455 Village Dr.
Lino Lakes, MN 55014
651-717-3400

Fairview Lakes North Branch Clinic
6413 Oak St.
North Branch, MN 55056
651-674-8353

Fairview Lakes Regional Medical Center
5200 Fairview Blvd.
Wyoming, MN 55092

Family Practice Clinic
651-982-7600

Internal Medicine Clinic
652-982-7690

Obstetrics & Gynecology Clinic
651-982-7670

Oncology Infusion Therapy Clinic
651-982-7980

Orthopedic Clinic
651-982-7641

Surgery & Specialty Clinic
651-982-7650

Fairview Lakes Rush City Area Clinic
760 W. Fourth St.
Rush City, MN 55069
320-358-4784

Fairview Mesaba Clinics-Chisholm
101 First Ave. S.W.
Chisholm, MN 55719
218-254-3316
toll free 888-353-3441

Fairview Mesaba Clinics-Hibbing
1814 E. 14th Ave.
Hibbing, MN 55746
218-262-3441
toll free 888-353-3441

Fairview Mesaba Clinics-Mountain Iron
8496 Enterprise Dr. S.
Mountain Iron, MN 55769
218-741-2250
toll free 888-353-3441

Fairview Mesaba Clinics-Nashwauk
402 Platt Ave. E.
Nashwauk, MN 55768
218-885-285
toll free 888-353-3441

Fairview Northeast Clinic
2849 Johnson St. N.E.
Minneapolis, MN 55418
612-706-4500

Fairview Northland Clinics-Elk River
290 Main St. N.W.
Elk River, MN 55330
763-241-5800

Fairview Northland Clinics-Milaca
150 10tth St. N.W.
Milaca, MN 56353
320-983-7400

Fairview Northland Clinics-Princeton
919 Northland Dr.
Princeton, MN 55371
763-389-3344

Fairview Northland Clinics-Zimmerman
12980 Fremont Ave.
Zimmerman, MN 55398
763-856-6900

Fairview Oxboro Clinic
600 W. 98th St.
Bloomington, MN 55420
952-881-2651

Fairview Red Wing Medical Center
701 Fairview Blvd.
Red Wing, MN 55066
651-267-5000

Fairview Red Wing Downtown Clinic
434 W. Fourth St.
Red Wing, MN 55066
651-388-6749

Fairview Ridges Clinic
303 Nicollet Blvd.
Burnsville, MN 55337
952-892-8770

Fairview RidgeValley Clinic
4151 Willowwood St. S.E.
Prior Lake, MN 55372
952-226-2600

Fairview Riverside Women's Clinic
701 25th Ave. S.
Suite 402
Minneapolis, MN 55454
612-672-2900

Fairview Uptown Clinic
1203 Lagoon Ave.
Minneapolis, MN 55408
612-827-4751

Fairview Zumbrota Clinic
525 Mill St.
Zumbrota, MN 55992
507-732-7314

Staub Pediatric Clinic
701 25th Ave. S.
Suite 306
Minneapolis, MN 55454
612-672-2350

FAIRVIEW-UNIVERSITY CLINICS

Providing outpatient care in a variety of specialties and subspecialties.

Allergy and Asthma Clinic
612-626-5590

Fairview Audiology Clinic
612-626-5775

Bone Marrow Transplant Clinic
612-626-2663

Fairview Breast Center
612-273-5700

Cardiovascular Center
612-625-3600

Chemical Dependency Clinic
612-672-5060

Children's Specialty Clinic
Located at Fairview Rid
Hospital in Burnsville
952-892-2910

Cutaneous Surgery and Laser Center
612-626-6999

Delaware Street Clinic
612-625-4680

Dermatology Clinic
612-626-6666

ENT Clinic
612-626-5900

Eye Clinic
612-625-4400

Hemophilia & Thrombosis Center
612-626-6455

Medicine Specialty Clinic
612-625-8690

MS Center
612-672-6100

Neurology Clinic
612-626-3004

Neurosurgery Clinic
612-626-6688

Orthopaedic Clinic and Therapy Center
612-273-9400

Pediatric Clinic
612-626-6777

Physical Medicine and Rehabilitation Clinic
612-626-3696

Primary Care Center
612-624-9499

Psychiatry Clinic
612-273-8700

Surgery Clinic
612-626-6666

Transplant Center
6 25-5115

Urology Clinic
612-625-9933

Vascular Surgery
612-626-6666

Women's Health Center
612-626-3444

Wound Healing Clinic
612-626-6666

FAIRVIEW URGENT CARE CENTERS

Fairview Urgent Care - Eagan
651-406-8877

Fairview Urgent Care - Highland Park (St. Paul)
6 6-5070

Fairview Lakes Urgent Care - Wyoming
651-982-7300

Fairview Northland Walk-in Clinic (Princeton)
763-389-3344

Fairview Urgent Care - Oxboro (Bloomington)
952-885-6060

FAIRVIEW PHARMACIES

612-375-0025
toll free 866-823-8686
www.fairviewrx.org

Fairview Centennial Lakes Pharmacy
7373 France Ave. S., Suite 206
Edina, MN 55435
952-985-816

Fairview Eagan Pharmacy
1440 Duckwood Dr.
Eagan, MN 55122
651-406-8980

Fairview Edina Pharmacy
6363 France Ave. S.
Edina, MN 55435
952-924-1400

Fairview Hiawatha Pharmacy
3809 42nd Ave. S.
Minneapolis, MN 55406
612-728-7180

Fairview Highland Park Pharmacy
2155 Ford Pkwy.
St. Paul, MN 55116
651-696-5020

Fairview Home Infusion Pharmacy
711 Kasota Ave.
Minneapolis, MN 55454
651-632-7300

Fairview Lakes Pharmacy - Lino Lakes
7455 Village Dr.
Lino Lakes, MN 55014
651-717-3401

Fairview Lakes Pharmacy - Rush City
780 W. Fourth St.
Rush City, MN 55069
320-358-4757
651-464-6760 (metro)

Fairview Lakes Pharmacy - Wyoming
5200 Fairview Blvd.
Wyoming, MN 55092
651-982-7500

Fairview Mesaba Pharmacy
3605 Mayfair Ave.
Hibbing, MN 55746
218-263-4922

Fairview Northeast Pharmacy
2847 Johnson St. N.E.
Minneapolis, MN 55418
612-789-7277

Fairview Northland Pharmacy - Elk River
290 Main St. N.W., Ste. 110
Elk River, MN 55330
763-241-5890

Fairview Northland Pharmacy - Milaca
127 Second Ave. S.W.
Milaca, MN 56353
320-983-3191

Fairview Northland Pharmacy - Princeton
919 Northland Dr.
Princeton, MN 55371
763-389-6622

Fairview Northland Pharmacy - Zimmerman
25945 Gateway Dr.
Zimmerman, MN 55398
763-856-6940

Fairview Oxboro Pharmacy
600 West 98th St.
Bloomington, MN 55420
952-885-6166

Fairview Ridgeview Pharmacy
303 East Nicollet Blvd.
Burnsville, MN 55337
952-892-2640

Fairview Riverside Pharmacy
606 24th Ave. S
Minneapolis, MN 55454
612-672-7500

Fairview Southdale Medical Pharmacy
6545 France Ave. S
Edina, MN 55435
952-924-1499

Fairview-University Clinic Pharmacy
420 Delaware St. S.E.
MMC 812
Minneapolis, MN 55455
612-626-2828

Fairview-University Discharge Pharmacy
420 Delaware St. S.E.
MMC 812
Minneapolis, MN 55455
612-273-2121

Fairview-University Oncology Pharmacy
Masonic Cancer Center
M-105
424 Harvard Street
Minneapolis, MN 55455
612-625-4900

FAIRVIEW REHABILITATION SERVICES

Institute for Athletic Medicine
Physical therapists, chiropractors and athletic trainers rehabilitate patients with orthopedic and musculoskeletal injuries.

Appointments: 612-672-7100

24 Locations:
Apple Valley
Bloomington
Brooklyn Park
Burnsville
Eagan
Eden Prairie
Edina (2)
Elk River
Lino Lakes
Maple Grove
Maplewood
Minneapolis (3)
Minnetonka
Osseo
Plymouth (2)
Robbinsdale
Roseville
St. Paul (2)
Woodbury

Fairview Hand Center
Certified hand therapists rehabilitate patients with hand, wrist and shoulder conditions and injuries.

Appointments: 612-672-7100

5 Locations:
Burnsville
Edina
Elk River
Minneapolis
Minnetonka

Fairview Orthotics and Prosthetics
Design and fabrication of custom orthotics/prosthetics for a variety of medical conditions.

651-644-5808

8 Locations:
Burnsville
Edina
Minneapolis (3)
Plymouth
Robbinsdale
St. Paul

FAIRVIEW COUNSELING CENTERS

Individual, marriage, family and group counseling for children, adolescents and adults

Metro appointments:
612-672-6999

8 Locations:
Eden Prairie
Edina
Elk River 763-241-5870
Forest Lake
Maplewood
Milaca, 320-983-7445
Minneapolis
Princeton, 763-389-6326

ADULT DAY PROGRAMS

Ebenezer Hall Adult Day Program, Minneapolis
612-879-2262

Ebenezer Ridges Intergenerational Day Program, Burnsville
952-898-3576

Ebenezer Rich Valley Adult Day Program, Rosemount
651-423-5926

Adult Day Services, Fairview Range Regional Health Services, Hibbing
218-362-6560

SENIOR HOUSING FACILITIES

Owned by Ebenezer:

Arbors at Ridges, Burnsville
952-898-4005

Ebenezer Park Apartments, Minneapolis
612-879-2233

Ebenezer Ridge Point Apartments, Burnsville
952-898-1989

Ebenezer Tower Apartments, Minneapolis
612-879-2243

Meadows on Fairview, Wyoming
612-874-3494

Managed by Ebenezer:

7500 York Cooperative, Edina
952-835-1010

Champlin Shores, Champlin
763-712-0118

The Colony, Eden Prairie
952-828-9500

Fairview Seminary Plaza,
Red Wing
651-385-3435

Lake Shore Drive
Condominiums, Richfield
612-861-7595

Lee Square Cooperative,
Robbinsdale
763-522-5095

Living Choice Condominiums,
St. Paul
651-222-5055

Mighty Fortress Manor,
Hinckley
320-384-0316

Osborne Apartments,
Spring Lake Park
763-780-2169

Regent at Plymouth, Plymouth
763-383-8888

Sawtooth Ridges Apartments,
Grand Marais
218-387-9247

Teacher's Park Avenue
Residence, Minneapolis
612-871-4574

Village Cooperative of
Le Sueur, Le Sueur
507-665-3474

Wildwood Manor Apartments,
Mounds View
763-786-1422

Woodlake Point
Condominiums, Richfield
612-866-4757

LONG-TERM & TRANSITIONAL CARE (NURSING HOMES)

Ebenezer Hall, Minneapolis
612-879-2262

Ebenezer Luther Care Center,
Minneapolis
612-879-2286

Ebenezer Ridges Care Center,
Burnsville
952-898-8400

Fairview Seminary Home, Red
Wing (managed by Ebenezer)
651-385-3435

Greenview Alzheimer's
Residence, Hibbing
218-263-3629

FAIRVIEW DIAGNOSTIC LABORATORIES

Providing routine and specialized laboratory testing for inpatients, outpatients, outreach and clinic patients locally, statewide and nationally.

420 Delaware St. SE
MMC 198
Minneapolis, MN 55455
612-273-7838

MEDICAL EQUIPMENT AND SUPPLIES

Fairview Home
Medical Equipment

2200 University Ave. W
St. Paul, MN 55114
651-632-9800

6401 France Ave. S
Minneapolis, MN 55435
952-924-5757

Fairview Healthline
Medical Supply

Mesabi Mall
1101 E 37th St.
Hibbing, MN 55746
218-262-6981
toll free: 800-422-0225

Northgate Plaza
827 North 6th Ave,
Virginia, MN 55792
218-741-7257
toll free: 800-422-0225

1[illegible] Valley Pine Circle, Ste 7
Int[illegible]alls, MN 56649
218-283-4174
toll free: 800-422-0225

HOME CARE AND HOSPICE

Fairview Healthline
Homecare and
North Star Hospice
1101 East 37th St
Hibbing, MN 55746
218-262-6982, 877-272-6982

Fairview Home Care
and Hospice
2450 26th Ave.
Minneapolis, MN 55454
612-728-2468

Fairview Lakes HomeCaring
and Hospice
11725 Stinson Ave.
Chisago City, MN 55013
651-257-8550

FAIRVIEW PRESS

2450 Riverside Ave
Minneapolis, MN 55454
612-672-4180
toll free 800-544-8207
www.fairviewpress.org

FOUNDATIONS

Foundations raise and distribute funds for programs of Fairview entities that benefit patients, their families and their communities in support of the mission of Fairview.

Fairview Foundation
2450 Riverside Ave
Minneapolis, MN 55454
612-672-6345

Ebenezer Foundation
2722 Park Ave. S
Minneapolis, MN 55407
612-879-1458

Central Mesabi Medical
Foundation
750 East 34th St
Hibbing, MN 55746
218-362-6658

AFFILIATED PHYSICIAN ORGANIZATIONS

University of Minnesota
Physicians
612-672-7422

Fairview Physician Associates
952-925-1250

Behavioral Healthcare Providers
763-525-1746

SERVICES

Arthritis
- Evaluation clinic
- Physical therapy
- Support groups

Asthma
- Education
- Outpatient services
- Support services

Audiology

Cancer Care
- Complete spectrum of inpatient and outpatient services
- Education
- Support groups

Children's Health Care Services
- Adoption clinic
- Community partnerships
- Emergency services
- Hearing and ear specialties
- Home care
- Intensive care
- Mental health and chemical dependency
- Pediatric Rehabilitation
- Pediatric Specialty Clinics
- Transplantation

Complementary Medicine

Cultural Services

Dermatology

Diabetes Services

Diagnostic Services
- Breast Centers
- Dexa
- EEG
- EKG
- EMG
- Imaging

Domestic Abuse Program
- Client advocacy, support services and ongoing assistance
- Crisis intervention
- Referrals
- Technical assistance for development and implementation of programs in health care settings
- Training and resources for health professionals
- Volunteers

Education
- Arthritis
- Asthma
- Back care
- Cancer
- Cardiopulmonary resuscitation (CPR)
- Chemical dependency
- Childbirth preparation
- Clinical pastoral education
- Diabetes counseling
- Family counseling
- Health care directive (Living will)
- Heart health
- Memory loss
- Mental health
- Nutrition and exercise
- Parenting
- Respiratory health
- Seniors
- Wellness
- Whole health

ENT
(ear, nose & throat)

Emergency Services
24 hours a day;
365 days a year

End of Life Care

Heart Health
- After care
- Cardiopulmonary services
- Care suites
- Chest pain emergency service
- Heart and vascular center
- Home care services
- Labs

- Program for determining and reducing heart disease risk
- Cardiac rehabilitation
- Research
- Screenings and community [illegible]ation
- [illegible]ialized units
- Stress tests
- Education (classes and support groups)

Home Health Care
- Assisted living
- Home health aide/ homemaker
- Hospice
- Infusion therapy
- Nursing visits
- Rehabilitation therapy
- Social work
- Spiritual health services
- Wound/ostomy care
- Specialty areas for:
  - Behavioral
  - Cardiology
  - Children with chronic or acute illnesses
  - Multiple sclerosis
  - Transplant

Ho[illegible] Medical Equipment and [illegible]pplies

Hospice

Internal Medicine
- Genetics
- Rheumatology

Maternal/Childbirth Care
- Referrals
- Childbirth preparation and parenting classes
- Maternal-fetal medicine
- Neonatal intensive care
- Other birthing options
- Single-room maternity unit
- Volunteers

Medical Supply

Mental Health and Chemical Dependency Behavioral Services
Inpatient and outpatient services
- Adult and adolescent chemical dependency treatment
- Adult, adolescent and children's mental health treatment
- Chemical dependency treatment for the hearing-impaired
- Compulsive gambling
- Corrections-based services
- Cultural services
- Depression
- Eating disorders
- Employee assistance program
- Individual, marriage and family counseling
- Lodging plus services
- Methadone maintenance
- School-based services
- Seniors programming
- Smoking cessation
- Specialized psychiatric emergency services

Neurology Services
- ALS
- Alzheimer's
- Brain tumors
- Epilepsy
- Headaches
- MS management and rehabilitation
- Muscular Dystrophy
- Parkinson's
- Research programs
- Seizures
- Strokes
- Support groups

Nurse Line

Nutrition
- Weight management programs

Orthopedic Services
- Design and fabrication of custom orthopedic devices
- Foot and ankle care

- Joint replacement
- Spine problem diagnosis and treatment
- Sports medicine

Pain Management

Pastoral Care
- Clinical pastoral education
- Counseling
- Hospice

Pharmacy
- Online prescription renewal
- Mail order

Physician and Program Referral
- Classes
- Support groups

Radiology and Imaging
- Angiography
- CT scan
- MRI
- Mammography
- Nuclear medicine
- Ultrasound
- Vascular
- X-ray

Rehabilitation
- Acute rehabilitation
- Arts medicine
- Assistive technology
- Aural rehabilitation
- Cardiac rehabilitation
- Chiropractic
- Hand therapy
- Industrial/occupational medicine
- Lymphedema treatment
- Occupational therapy
- Orthotics/prosthetics
- Physical therapy
- Sports medicine
- Speech/language therapy
- Transitional care services
- Vision rehabilitation
- Voice therapy

Respiratory Care
- Lung disease
- Pulmonary function testing
- Stress testing

Senior Services
- Alzheimer's care
- Adult foster care
- Companion programs
- End-of-life care
- Foot care
- Insurance alternatives for low-income seniors
- Lifeline
- Transportation programs

Skilled Nursing

Social Work Services
- Counseling and support
- Health Care Directive information
- Information/referral to educational, economic and community resources
- Patient rights information
- Post-hospital planning

Support Groups and Services
- Abuse
- ALS
- Arthritis
- Brain tumors
- Breathing
- Breastfeeding
- Cancer
- Caregiver
- Chemical dependency
- Chemical dependency relapse program
- Chronic illness
- Chronic Obstructive
- Pulmonary Disease
- Diabetes
- Eating disorders
- Grief
- Health awareness
- Heart disease
- Men's and women's issues
- Multiple sclerosis
- Narcolepsy and other sleep disorders
- Pregnancy and infant loss
- Stroke

Surgical Services
- Eye surgery
- General surgery
- Heart surgery
- Laser surgery
- Minimally invasive surgical techniques
- Neurological services
- Orthopedic surgery
- Pediatric surgery
- Robotics
- Same-day surgery
- Vascular surgery

Transitional Services

Transplant Services
- Blood and marrow
- Heart
- Intestinal
- Islet
- Kidney
- Liver
- Lung
- Pancreas

Urgent Care

Volunteer Opportunities

Walking Programs, Indoor
- Roseville Shopping Center
- Southdale Shopping Center

Women's Health
- Breast centers
- Specialized women's therapy and rehabilitation

Wound Care

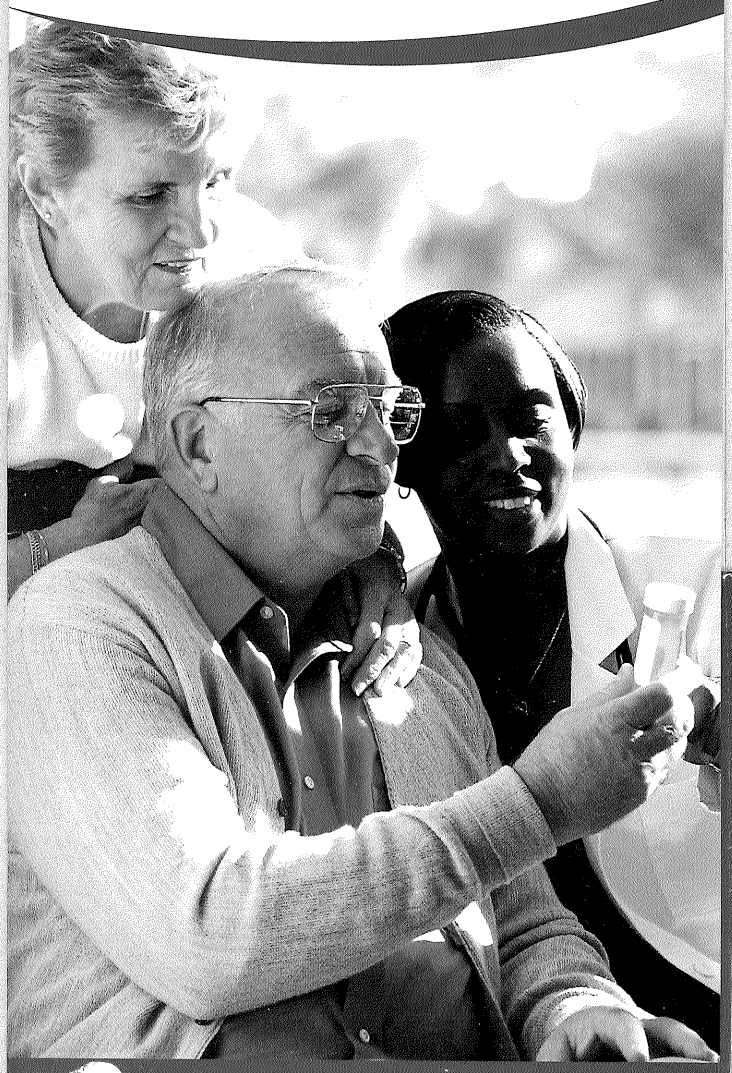
For health and wellness class and support group information, physician and program referral, call 612-672-7272 or 1-800-824-1953

FAIRVIEW

Fairview Health Services
2450 Riverside Ave S
Minneapolis, MN 55454
612-672-7272, 800-824-1953
www.fairview.org

Fairview Home Care and Hospice

We bring the caring home



FAIRVIEW

Mission:

At Fairview Home Care and Hospice, we help our clients reach their goal of living at home with dignity, comfort and independence.

Fairview Home Care and Hospice is your source for the best in home care services.

- Pioneer in home care since 1977
- Experts in helping with transition from illness to wellness
- Experienced team of:
  - Nurses
  - Home health aides
  - Physical therapists
  - Occupational therapists
  - Speech therapists
  - Social workers
  - Chaplains
  - Dietitians
  - Volunteers

Services:

- Home care visits
- Rehabilitation services
- Private duty nurse or aide
- Lifeline® personal response system
- Hospice services

Getting Started in Home Care is Simple

Call us at 612-728-2468 or 1-866-827-5039 (toll free) for information or to begin care.

Fairview Home Care and Hospice accepts Medicare, Medicaid and most insurance plans. We will verify insurance coverage, and will provide a free home assessment if needed to evaluate your situation and give recommendations.

A Guide to your Home Care Services

Our goal is to support you in your return to health and independence. We are most successful when you no longer need us! Your home care staff may include nurses, therapists and aides who teach you and your family and friends how to care for you. Home care is a partnership.

What you will learn

Whenever possible, we provide the information you need and teach you to care for yourself at home. It's natural to feel a little apprehensive in the beginning, but our staff will work closely with you until you feel confident about your abilities. It is best if a family member or friend learns the procedures along with you so that person can help you and support you during your return to independence. Skills you may learn include:

- How to change the dressing on your incision or wound
- How to monitor your health and when to call your physician
- How to check your blood sugar
- How to give yourself medications, including injections and IVs
- How to order medical supplies or medications you will need at home
- How to manage your activity level, exercise and diet
- How to continue your therapy program

The home visit

Our staff will call you at home to schedule a convenient time to visit. The first visit is longer to allow time for our staff to complete a comprehensive assessment and answer any questions you may have. Expect the first visit to last two hours. Visits after that will usually last less than one hour.

Teaching will begin on the first visit, so plan to have a family member or friend present.

For more information

For more information about any of the services provided by Fairview Home Care and Hospice, call 612-728-2468 or 1-866-827-5039 (toll free).

FAIRVIEW

Fairview Home Care and Hospice
2450 26th Avenue South
Minneapolis, MN 55406

110 South 6th Street
Princeton, MN 55371

Tel: 612-728-2468
Toll Free: 1-866-827-5039
www.fairview.org/homecare

Reasons for Home Care

- A new diagnosis or exacerbation of a chronic disease, such as orthopedic condition, infection, stroke, pneumonia, cancer, dementia, gastrointestinal disorders, neurological conditions, cardiac disease
- Teaching medication, diet, disease management, wound/ostomy/urinary catheter care, post-operative care, family instruction and support in caring for a loved one with end-stage illness
- Treatments for infections, wounds, ostomies, drains, urinary catheters, lab work and management of pain and other symptoms
- Assessment and continued monitoring of patient and home environment
- Rehabilitation to restore/improve safety and functional ability
- Personal care/hygiene needs

For more information

For more information about any of the services provided by Fairview Home Care and Hospice, call 61 28-2468 or 1-866-827-5039 (toll free).

FAIRVIEW
Fairview Home Care and Hospice

Complex Chronic Care

Our interdisciplinary team focuses on the needs of patients facing complex chronic diseases, including multiple sclerosis, Amyotropic Lateral Sclerosis (A.L.S./Lou Gehrig's Disease), Parkinson's, congestive heart failure and cerebrovascular accident (stroke). Our holistic approach includes attention to the physical, emotional, social and spiritual needs of both the patient and family. The team develops a comprehensive, individualized care plan to maximize independence and self-sufficiency. The team also plans for long-term care needs and grieving.

Transplant

Specialty clinicians focus on the needs of patients who have received organ or blood and marrow transplants. Home care staff collaborate closely with the transplant coordinators to tailor care plans to the specific needs of each patient.

Cardiac

Specialty clinicians focus on the needs of the patient with complex cardiac care requirements providing assessments, teaching, medication management, lab draws and pain management.

Behavioral

Specialty clinicians focus on the needs of patients who experience anxiety, depression, phobias, panic, dementia or psychoses requiring ongoing support and stabilization. Services include assessment, counseling, crisis intervention planning, medication management, lab draws and injections.

Transitions and Life Choices (TLC)

Our specialized home care team provides palliative—or comfort—care to patients with advanced illness. TLC allows patients to remain as independent and healthy as possible by relieving pain and other symptoms that often accompany illness and treatment. Our professionals are skilled in supporting patients and families as they learn to cope with the complex emotions and decisions involved in adapting to an advanced illness.

Advance Care Planning

This service assists patients and families to plan for future medical care in case the patient is unable to make his or her own decisions. The patient remains in control while experienced professionals actively engage families in planning for end-of-life care that honors individual wishes and maximizes quality of life.

For more information

For more information about any of the services provided by Fairview Home Care and Hospice, call 612-728-2468 or 1-866-827-5039 (toll free).

FAIRVIEW

Fairview Home Care and Hospice
2450 26th Avenue South
Minneapolis, MN 55406

110 South 6th Street
Princeton, MN 55371

Tel: 612-728-2468
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www.fairview.org/homecare

Private Duty Program

Our private duty program specializes in one-on-one care in the home.

The following services are available 24 hours, seven days a week with a minimum requirement of three continuous hours per shift.

Registered or licensed practical nurse will help with

- Complex care requiring frequent skilled observations or treatments
- End-of-life care

Home health aide will help with

- Personal care including bathing, assistance with walking, exercises, transfers and skin care
- Meal preparation and light housekeeping
- Medication reminders
- Rest for the caregiver

Live-in home health aide services are available for specific patient needs. The live-in aide is at the home 24 hours a day and works 8-10 hours throughout a 24-hour period.

Homemaker will help with

- Companionship and general supervision
- Light housekeeping/laundry
- Meal preparation

Getting Started

A nurse case manager performs an initial assessment to identify the appropriate level, amount and frequency of care required. The nu works with the patient, family and physician to develop a personalized plan of care. A pre-admission family conference is sometimes recommended to clarify services that will be needed. Although occasionally covered by insurance, patients and family members most often pay for the service.

For more information

For more information about any of the services provided by Fairview Home Care and Hospice, call 612-728-2468 or 1-866-827-5039 (toll free).

FAIRVIEW

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2450 26th Avenue South
Minneapolis, MN 55406

110 South 6th Street
Princeton, MN 55371

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Toll Free: 1-866-827-5039
www.fairview.org/homecare

Hospice

Comfort and support for patients and families facing life-limiting illness.

The goal of hospice is to minimize pain and discomfort while offering guidance and support to you and your family. We supplement the loving care your family provides in a variety of ways:

- Regular visits from registered nurses with advanced training in pain control and symptom management
- Home health aides to assist with bathing and other personal care
- Music therapists bring music that soothes, relaxes and provides emotional release
- Massage therapists bring a loving touch that relieves and relaxes
- Social workers provide supportive counseling and other assistance
- Visits from chaplains respectful of your family's faith and belief system
- Trained hospice volunteers who provide a comforting presence for you and respite for your family
- Year-long bereavement support for your family members and loved ones

Costs are covered

Hospice costs are covered by Medicare, Medical Assistance and most private insurance plans. Our social worker can help you obtain benefits from your insurance plan.

Transitions and Life Choices (TLC)

Our specialized home care team provides palliative—or comfort—care to patients with advanced illness. TLC allows patients to remain as independent and healthy as possible by relieving pain and other symptoms that often accompany illness and treatment. Our professionals are skilled in supporting patients and families as they learn to cope with the complex emotions and decisions involved in adapting to an advanced illness.

Advance Care Planning

This service assists patients and families in planning future medical care in case the patient is unable to make his or her own decisions. The patient remains in control while experienced professionals actively engage families in planning for end-of-life care that honors individual wishes and maximizes quality of life.

For more information

For more information about any of the services provided by Fairview Home Care and Hospice, call 612-728-2468 or 1-866-827-5039 (toll free).

FAIRVIEW

Fairview Home Care and Hospice
2450 26th Avenue South
Minneapolis, MN 55406

110 South 6th Street
Princeton, MN 55371

Tel: 612-728-2468
Toll Free: 1-866-827-5039
www.fairview.org/homecare

Service Area

Fairview Home Care and Hospice serves 15 counties in the Twin Cities metro and Princeton area. To determine if our services are available in your community, call 612-728-2468 or 1-866-827-5039 (toll free).

FAIRVIEW
Fairview Home Care and Hospice

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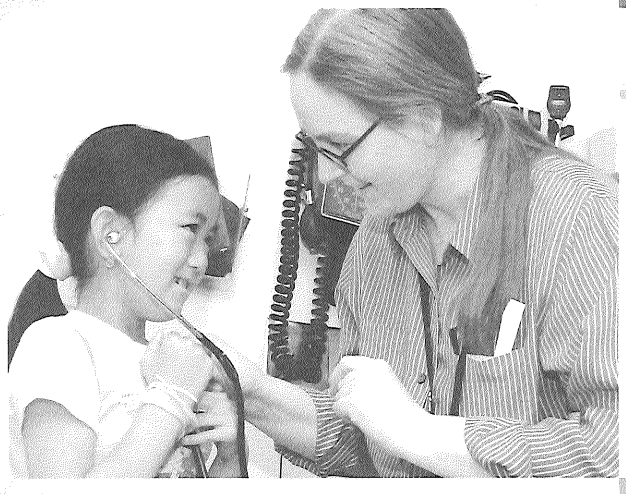
UNIVERSITY
of MINNESOTA
PHYSICIANS



FAIRVIEW

UNIVERSITY
OF MINNESOTA

Leading

BREAKTHROUGHS

In Health

Our commitment:

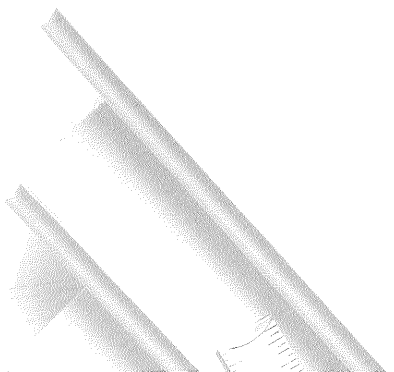
Excellence in clinical care, education, and research.

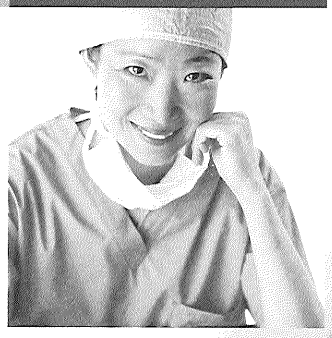
Leading Breakthroughs in Health: The Clinical Sciences Campus Plan

Over the past seven years, the University of Minnesota, Fairview, and University of Minnesota Physicians have worked together to integrate our organizations, people, and programs.

Now we are collaborating on a strategic plan to revitalize our campus and clinical facilities. The Clinical Sciences Campus Plan will, over the next 20 years, help us lead the continuing evolution of health care and health professional education, as well as breakthroughs in clinical research, service, and care.

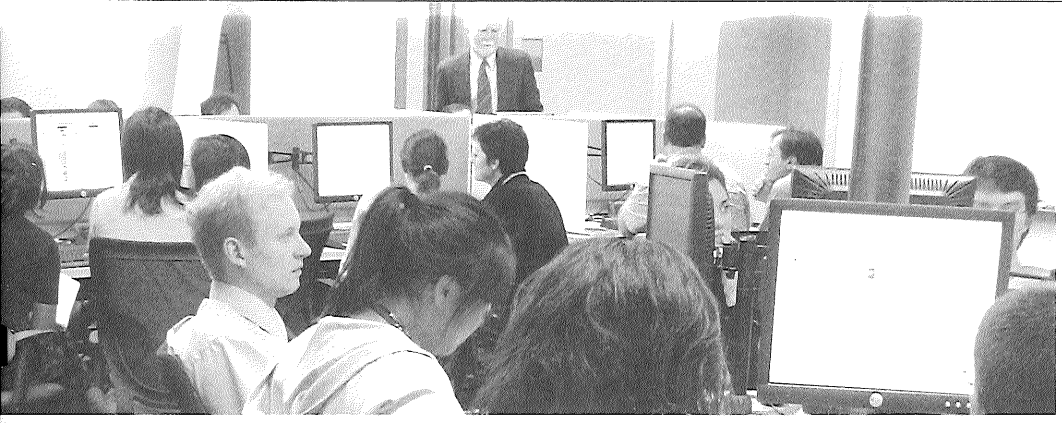
Our goal is to create state-of-the-art health sciences facilities in a campus environment that will ensure local, regional, and international renown in patient care, research, and health professional education.





We prepare the new health professionals who improve the health of communities, discover and deliver new treatments and cures, and strengthen Minnesota's health-care economy

AcademicHealthCenter
UNIVERSITY OF MINNESOTA



THE UNIVERSITY OF MINNESOTA RANKS AMONG THE most prestigious public universities in the United States. It is both a state land-grant institution, with a tradition of public service and education, and a major research institution, making breakthroughs in understanding and knowledge that improve quality of life. The University serves more than 60,000 students throughout Minnesota and offers degrees in more than 370 fields of study.

The Academic Health Center's schools and colleges prepare the next generation of health professionals. About 70 percent of Minnesota's health professionals are graduates of the University of Minnesota. Academic Health Center researchers develop better methods of care and deepen understanding of disease.

LOOKING AHEAD

■ There's a 17-year time lag between discovering better ways to care for patients and the use of that knowledge by physicians. That's too long. Upgrading our capacity to perform clinical research will help shorten that time lag and move experimental treatments more quickly into mainstream use – eventually leading to better, more cost-effective health care.

■ The future of Minnesota's health rests with today's students. We can't educate tomorrow's health professionals in yesterday's classrooms and facilities. Most of the Academic Health Center's educational facilities are now 25 years old and have not been substantially improved since they were constructed.

School of Dentistry

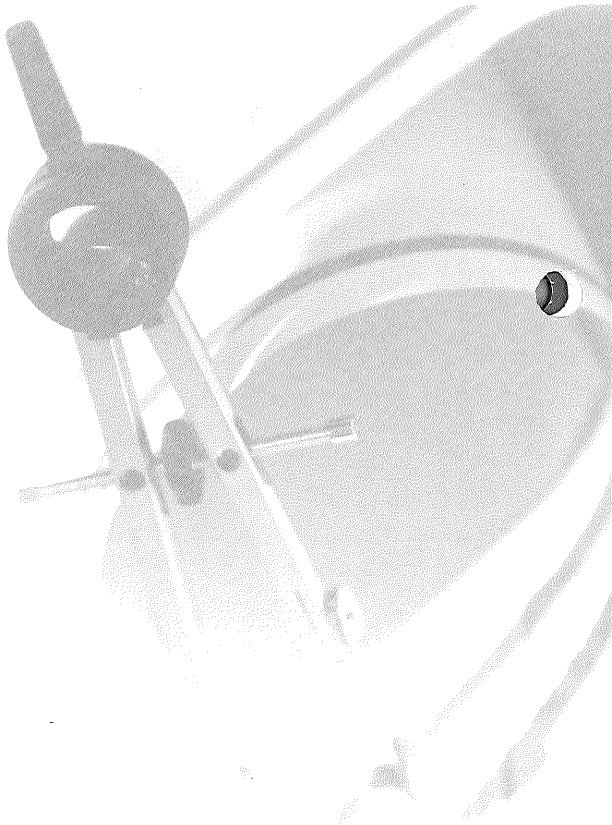
Medical School

School of Nursing

College of Pharmacy

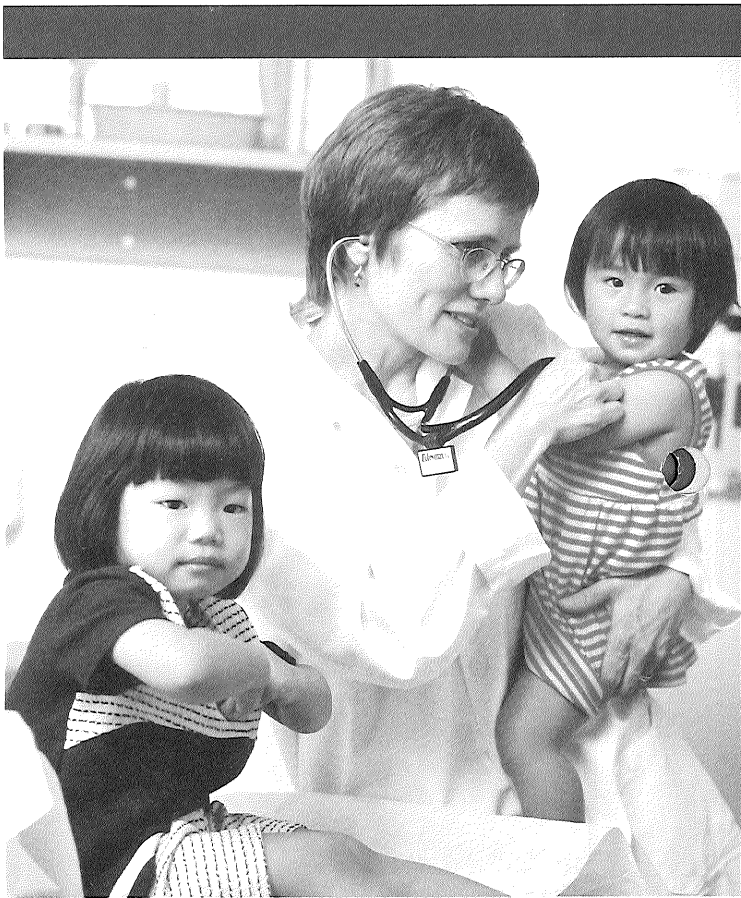
School of Public Health

College of Veterinary Medicine



Fairview's mission is to improve the health of the communities we serve. We commit our skills and resources to the benefit of the whole person by providing the finest in health care while addressing the physical, emotional, and spiritual needs of individuals and their families. We support the research and education efforts of our partner, the University of Minnesota, and its tradition of excellence.

FAIRVIEW



VIEW

FAIRVIEW

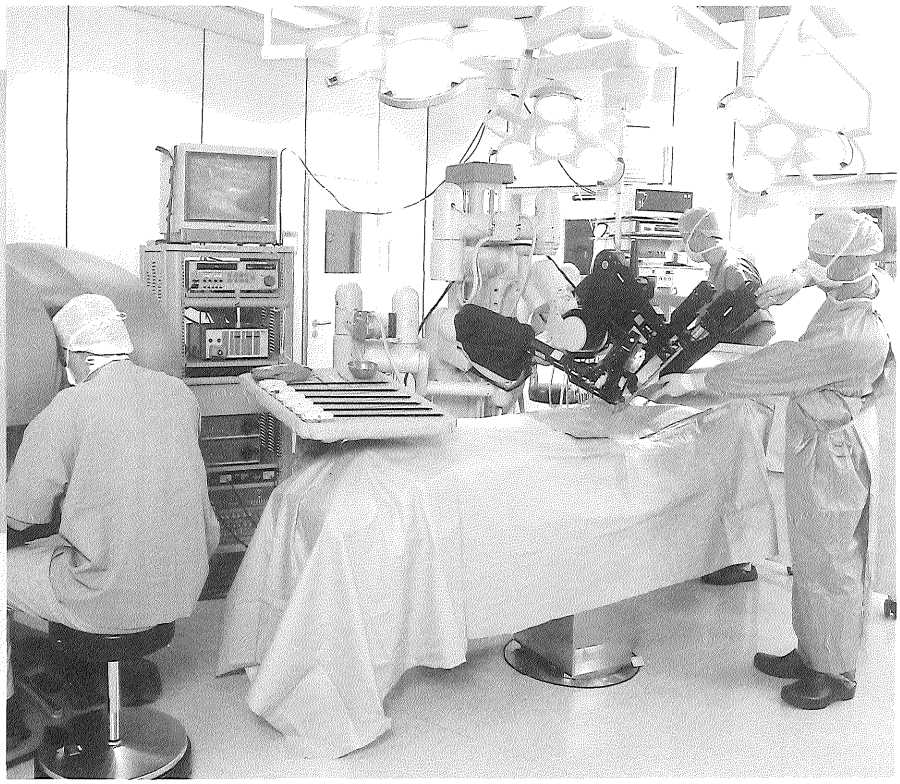
At Fairview, we balance the latest in technology and treatments with the highest respect and personal concern for patients and their families — the finest care delivered by a staff who recognizes the Fairview values of dignity, integrity, service, and compassion.

In 1997, affiliation between Fairview and the University of Minnesota created a new division of Fairview – the medical center that today spans both sides of the Mississippi River. Fairview-University Medical Center and, within it, Fairview-University Children's Hospital are the core teaching hospitals of the Academic Health Center.

With our team of physicians, nurses, therapists, and other health care professionals, we deliver a full spectrum of health care to people in the neighborhood, the state, and the world.

LOOKING AHEAD

■ Our patient care facilities must keep pace with breakthroughs in education and research – all for the ultimate benefit of patients.

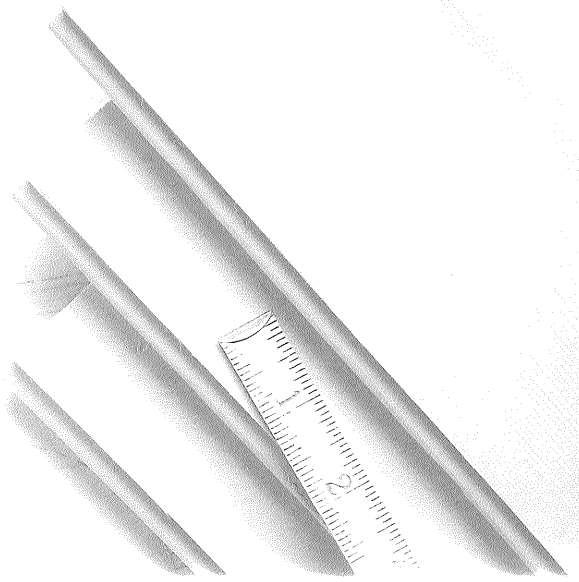


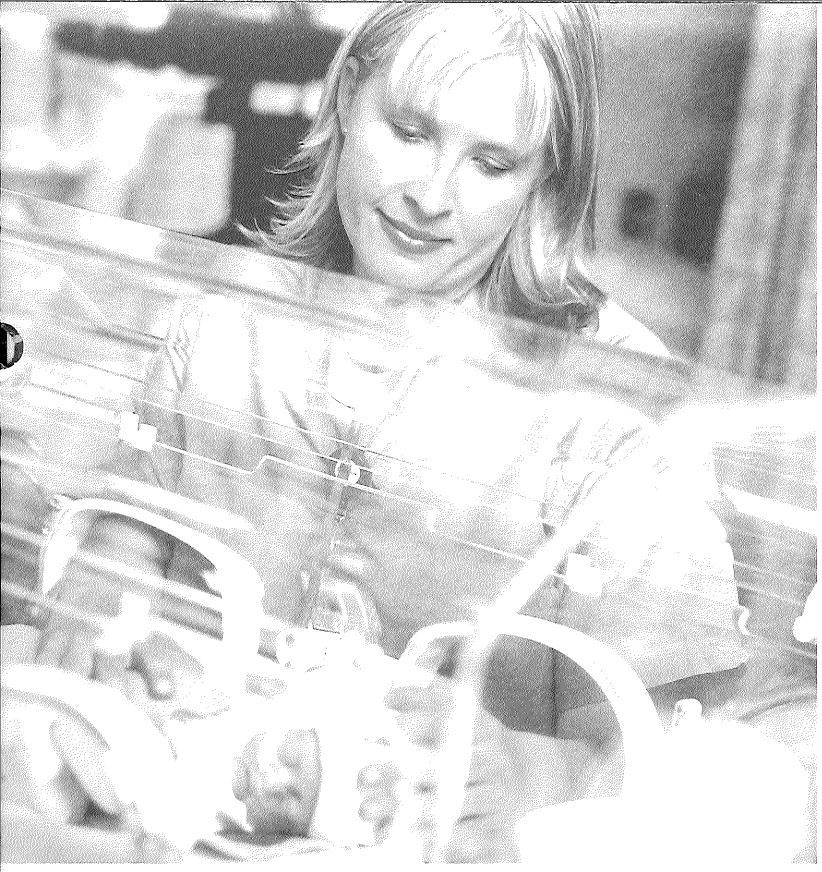
UNIVERSITY of MINNESOTA PHYSICIANS

University of Minnesota Physicians is the designated faculty practice organization of the University of Minnesota Medical School. UMPhysicians operates in connection with the University of Minnesota Academic Health Center to fulfill the academic mission of the Medical School through facilitation of clinical practice in an academic setting.

Physicians at the University of Minnesota continually strive to better understand diseases and their causes, discover new treatments and cures, and offer renewed hope to patients and their families. From diagnosis through treatment and recovery, patients have access to the latest health care technologies, research, and education, enhanced by our dedication to providing the best possible care to match patients' individual needs.

Advanced research, clinical innovation, and mentoring the physicians of tomorrow all distill to a single goal: superb patient care.



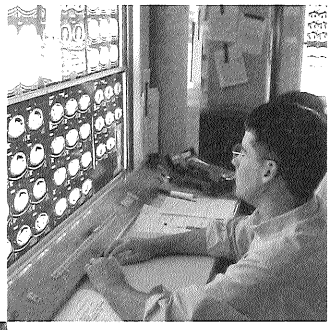


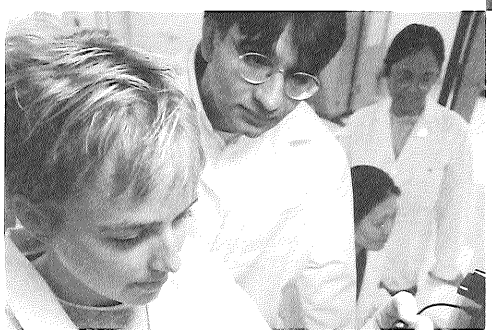
LOOKING AHEAD

- Consolidating our facilities from our current multiple locations will improve patient and family access – and make us more operationally efficient.

- Increasing opportunities for expanded ambulatory clinical research will move new knowledge more quickly into improved care.

- By renovating those clinics that do not support current or projected patient activity, we'll provide our patients with the kinds of facilities they expect to support their health.



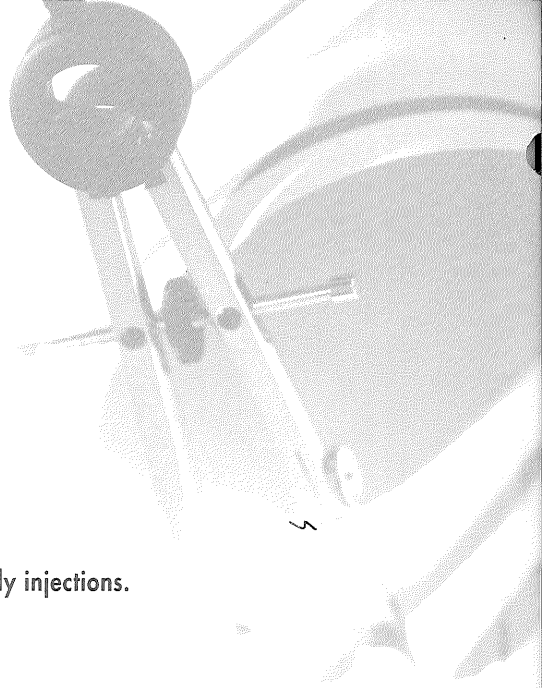


CLINICS

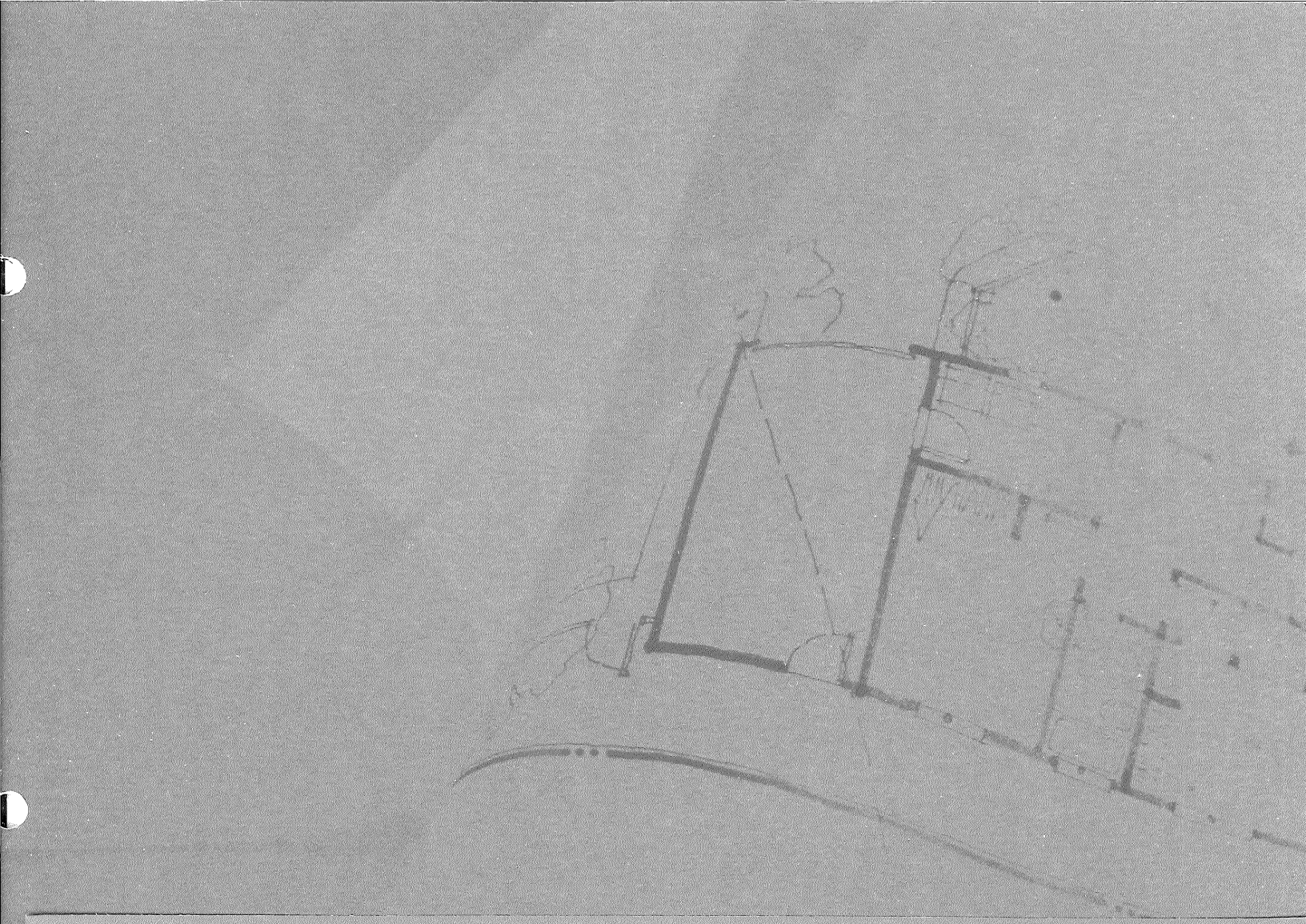
Allergy & Asthma*
Bariatrics (Obesity)*
Breast (Mammography/Diagnostics/Cancer)*
Cardiology*
Cardiovascular Surgery*
Center for Sexual Health
Colon and Rectal Surgery*
Cystic Fibrosis*
Delaware Street Clinic (HIV)*
Dermatology*
Dermatologic Surgery & Laser*
Diabetes*
Endocrinology*
Endoscopy (Riverside)
Family Medicine:
- Bethesda Clinic
- North Memorial Clinic
- Phalen Village Clinic
- Smiley's Clinic

Fertility
Gastroenterology (GI)*
Genetic Counseling & Metabolics/PKU*
Heart Disease Prevention (Rasmussen)*
Hemophilia*
Imaging Center
Infectious Disease*
KDWB University Pediatrics Family Center (Behavioral)
Masonic Cancer Clinic
Maternal-Fetal Medicine*
Minimally Invasive Surgery*
Muscular Dystrophy*
Multiple Sclerosis*
Nephrology (Renal)*
Neurology*
Neurosurgery*
Neuropsychology
Obstetrics/Gynecology (U Spec)*
Oncology (Cancer/Masonic)
Ophthalmology (Eye)*
Orthopaedic Surgery*
Otolaryngology (ENT/Head and Neck)*
Pediatric (all specialties)*
Physical Medicine & Rehabilitation*
Plastic Surgery*
Primary Care Center* (Family Medicine/ Internal Medicine/Pediatrics)*
Prostate Cancer Clinic*
Psychiatry Clinic*
Pulmonary*
Pulmonary Function Lab*
Radiation Oncology/Therapy (Univ. Campus)*
Radiation Therapy Center (Wyoming, Minn.)
Radiology/X-ray
Rehabilitation Services*
Reproductive Medicine (infertility)
Rheumatology*
STAR Clinic (Adolescent/Behavioral)
Surgery*
Thoracic Surgery (Lung)*
Transplant: Blood and Marrow*; Solid Organ*
University Specialists (OB/Gyn)*
Urology Clinic* (Univ. campus)
Urology Clinic* (Riverside campus)
Vascular Surgery Clinic*
Vein Center*

MEDICAL MILESTONES



1952	Physicians at the U of M performed the world's first successful open-heart surgery.
1955	First successful heart-lung machine developed.
1958	World's first artificial heart valve implant performed.
1960	First 11-county, metro-area community heart surgery program developed.
1966	World's first pancreas transplant performed.
1968	First successful human bone marrow transplant in the world performed.
1972	New technique developed for the long-term preservation of the human cornea before transplant.
1975	First implantable diabetes drug pump developed, freeing patients from daily injections.
1977	World-renowned multiple sclerosis treatment program launched.
1977	One of the first surgeries for the most difficult cases of epilepsy performed.
1977-78	First total-body CT scanner developed.
1978	First use of a new technique for adult kidney transplant in infants.
1980	First use of cyclosporine, a drug that prevents rejection of transplanted organs.
1984	Opening of the Birthplace, the first labor, delivery recovery, postpartum, single-room maternity care offered in the Twin Cities.
1990	Minnesota's first cochlear ear implant surgery for a child performed.
1993	First neonatal intensive care unit partnership in Minnesota created.
1994	Discovery that autologous bone marrow transplant can improve survival rates for patients with chronic myelogenous leukemia (CML).
1997	First hospital in the world to successfully transplant all intra-abdominal organs.
1998	Transplant services celebrated heart transplant program's 20th year, the 1,000th pancreas transplant, and the 5,000th kidney transplant.
1998	Vaccine for Lyme disease developed and patented.
2000	World's first blood and marrow transplant performed using genetic testing on an embryo to find a suitable cord blood donor.
2000	Midwest's first successful double-lung transplant performed.
2000	Nation's first stem cell institute established.
2001	Gene that causes the most common form of muscular dystrophy in adults discovered.
2004	Named one of top four Newborn Intensive Care Units in the nation.
2004	Named Cancer Center of Distinction.



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In Health

UNIVERSITY of MINNESOTA PHYSICIANS

FAIRVIEW

UNIVERSITY OF MINNESOTA

SUMMARY

The University of Minnesota, Fairview, and University of Minnesota Physicians have completed the first phase of planning to revitalize our clinical campus. The planning report recommends that new facilities be located on the University campus, next to the existing hospital, with the most likely option requiring relocating some student housing.

The plan calls for investments in:

- **Clinical faculty** of pediatrics, medicine, surgery, and other areas where research and practice touch at the bedside;
- Enhancing our capacity to perform **clinical research**;
- **Building and renovating facilities** on the clinical campus of the University.

Why we need new clinical facilities

>To continue delivering breakthrough therapies

- The people of Minnesota expect the University and its partners to deliver breakthrough therapies and state-of-the-art care.
- **It's part of our mission:** We must remain on the leading edge to provide what is expected of us, as well as the hope and opportunity that our service mission makes possible.
- Right now there's a **17-year time lag between discovering better ways to care for patients and the use of that knowledge by physicians**. That's too long. Upgrading our capacity to perform clinical research will help shorten that time lag and move experimental treatments more quickly into mainstream use – eventually leading to better, more cost-effective health care.
- The University and the state of Minnesota have invested $250 million in basic and translational sciences. It's time to **complete that investment by upgrading our clinical sciences facilities** – that's where science meets patient care. It's difficult to produce tomorrow's breakthrough therapies in yesterday's physical plant.

>To stay competitive

- We need to stay academically competitive with other health sciences schools for faculty and students.
- If Minnesota can't attract and retain the best and brightest, we'll fall behind in discovering the next breakthrough leading to new knowledge, industries, and medical treatments.
- The fact is **we have outgrown our current facilities.** Our customers demand up-to-date facilities that support their health care. Without them, we will not compete well in the marketplace. And we must compete well to support our mission.

>To better prepare future health care professionals

- The future of Minnesota's health rests with today's students. **We can't educate tomorrow's health professionals in yesterday's classrooms and facilities.** Most of the Academic Health Center's educational facilities are now 25 years old and have not been substantially improved since they were constructed.
- **Everyone ultimately benefits:** New facilities will truly prepare the next generation of health care professionals to take care of Minnesota patients and families. Quality care involves more than education – it involves practicing in interprofessional teams; having quick access to new knowledge that can improve care delivery, and working in flexible facilities that allow the evolving needs of patients to be met.

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BACKGROUND

The power of partnerships is truly reflected in the relationship between **Fairview Health Services, University of Minnesota Physicians, the University of Minnesota, and its Academic Health Center.** As with other successful models, the value of the whole is greater than the individual parts.

This partnership is committed to excellence in clinical care, education, research, scholarship, and to health of Minnesotans. The partners recognize that quality patient care is greatly enhanced by integrating with education and research across the health professions – and that quality clinical education and research depend on quality patient care.

The partners bring great strengths: the University with its top-ranked research and education programs; the University's comprehensive Academic Health Center with six disciplines that prepare most of the state's health professionals; the faculty practice plan – University of Minnesota Physicians – that specializes in breakthroughs; and Fairview Health Services with its nationally renowned academic medical center connected to community health care services. Each of these institutions is connected to each other's successes.

Over the past seven years, the partners have invested heavily in the basis of that success: the integration of organizations, people, and programs. It is now time to develop a strategic plan for the clinical facilities, revitalized campus, and capital needed to sustain and promote their joint vision to improve the health of families and communities in Minnesota and beyond.

Working separately, then together
In the recent past, each constituent had undertaken independent planning initiatives for its programs within the vicinity of their current University of Minnesota-based program locations. The Academic Health Center's District Plan for the year 2020 identified considerable remodeling and rebuilding at the heart of the current Health Sciences district. University of Minnesota Physicians also identified program expansion and the need to relocate and expand outpatient facilities. Similarly, Fairview-University Medical Center had looked at master planning scenarios that have identified consolidating its hospital, preferably on the East Bank. However, until this Clinical Sciences Campus planning effort, a collective and coordinated vision had not been pursued.

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BACKGROUND, page 2

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The goals of Phase 1 of the Clinical Sciences Campus planning effort were to:

- Develop a coordinated vision of the collaborative partnership
- Develop a measurable set of mutually supported strategic goals and objectives
- Create a defined set of programmatic activities (i.e., clinic facility size and location, inpatient program consolidation, ancillary services location)
- Develop preliminary fit plans, including location options for the agreed upon programmatic activities
- Provide order-of-magnitude cost estimates for planning, programming, and further development of the revised plan, including individual elements of the plan and phased implementation strategy in five-year increments.

The outcome of Phase 1 planning is a heightened understanding of the issues shaping the Clinical Sciences Campus. More importantly, the Phase 1 activities helped craft a shared vision statement, outlined core objectives, refined overall and individual program needs, and developed four different land-use scenarios and their associated cost estimates.

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VISION

The Clinical Campus Plan for the partnership will create the campus environment and health sciences facilities necessary to attain the partnership's goal of local, regional, and international renown in patient care, research, and health professional education. The Clinical Campus Plan will, over the next 20 years, enable the partnership to lead the continuing evolution in health care, health professional education, and breakthroughs in clinical research and service. The architecture will recognize the importance of a setting that encourages leading-edge experiential education and service to the community and that leverages the potential of all the health professions. The easily accessible campus and state-of-the-art facilities will be built to serve patients actively pursuing health, students seeking high-quality education, and physicians and health professionals pursuing excellence in clinical care, teaching, and research.

UNIVERSITY of MINNESOTA PHYSICIANS

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CORE OBJECTIVES

- Update and consolidate children's facilities by 2009, to:
  - Create a distinct physical identity for pediatric clinical sciences programs
  - Enhance the academic attractiveness of pediatric programs and the institution as a whole
  - Integrate with adult facilities to maximize operational and capital efficiency.

- Enhance and consolidate clinical sciences with a new ambulatory care center by 2009 that improves patient access and services.

- Consolidate clinical laboratories by 2009.

- Consolidate all Fairview-University Medical Center clinical operations on a "single site" on the University campus within 20 years while maintaining a viable Riverside clinical campus in the interim.

- Create consolidated facilities for the School of Public Health by 2009.

- Create the physical opportunity for the AHC to proceed toward the objectives of the AHC 2000 District Plan, including expanding research facilities (including the Lillihei Health Institute/Cancer Center), improved educational facilities, effective reuse of vacated space within the Phillips Wagensteen Building, and expanded community space.

- Synchronize Clinical Sciences Campus planning priorities with University-wide planning needs to consider residence halls and student housing, transportation and parking, and stadium planning.

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PLANNING PRINCIPLES

The Clinical Campus Plan will ...

1. Be guided by a long-range vision of being a top-tier patient care, education, and research partnership; and shaped by the core programmatic priorities of the partners.

2. Be driven by an external customer focus. The Clinical Sciences Campus will create a welcoming, accessible environment for patients and their families, visitors, students, faculty, and staff.

3. Support integrated inpatient and outpatient care delivery, including the move to a "single site" Fairview-University Medical Center.

4. Emphasize responsible use of resources – both capital and operations. Duplication is to be avoided with faculty adjacencies supporting capital and operating efficiency.

5. Have zoning of the Academic Health Center that reflects the connection of the missions of education, research, and clinical care and will strategically link to each other.

6. Take advantage of the large, urban University while creating "community space" for interaction and reflection. Site efficiency will be maximized.

7. Be an asset to investment in recruitment and retention of students, faculty, and staff. Quality of facilities will be a key component of competitive positioning in the national academic market.

8. Support continued involvement of community-based physicians in clinical care programs. Ease of access and operational orientation will encourage the transfer of new knowledge in clinical sciences to the practice community.

9. Be driven by life cycle facility planning. Sequencing of individual facility decisions based upon responsible continued use of facilities with outstanding debt and operational effectiveness will be emphasized by Fairview, the University, and UMPhysicians.

10. Link closely with University-wide planning, recognizing that it both reflects and impacts that planning for transportation, parking, student housing, stadiums, energy, and other initiatives.

11. Be respectful of the University and Fairview campus as part of a larger urban community. The plan will engage the support of key external stakeholders.

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QUESTIONS AND ANSWERS

1. Why does the University need new facilities?

- **The people of Minnesota expect the University and its partners to deliver breakthrough therapies and state-of-the-art care. It's part of our mission.** We must remain on the leading edge to provide what is expected of us, as well as the hope and opportunity that our service mission makes possible.

- Right now there's a **17-year time lag between discovering better ways to care for patients and the use of that knowledge by physicians**. That's too long. Upgrading our capacity to perform clinical research will help shorten that time lag and move experimental treatments more quickly into mainstream use – eventually leading to better, more cost-effective health care.

- The University and the state of Minnesota have invested $250 million in basic and translational sciences. It's time to **complete that investment by upgrading our clinical sciences facilities** – that's where science meets patient care. It's difficult to produce tomorrow's breakthrough therapies in yesterday's physical plant.

- **We need to stay competitive with other health science schools for faculty and students**. If Minnesota can't attract and retain the best and brightest, we'll fall behind in discovering the next breakthroughs leading to new knowledge, industries, and medical treatments.

- The future of Minnesota's health rests with today's students. **We can't educate tomorrow's health professionals in yesterday's classrooms and facilities.** Most of the Academic Health Center's educational facilities (including the hospital on the U campus) are now 25 years old and have not been substantially improved since they were constructed.

- Everyone ultimately benefits: New facilities will truly **prepare the next generation of health care professionals to take care of Minnesota patients and families.** Quality care involves more than education – it involves practicing in interprofessional teams; having quick access to new knowledge that can improve care delivery; and working in flexible facilities that allow the evolving needs of patients to be met.

2. Who is involved in the planning?

Representatives from each organization – the University, its Academic Health Center, Fairview Health Services, and University of Minnesota Physicians – spent the last eight months participating in a significant, collaborative, and mutually supportive planning process. A steering committee, comprised of key leaders from each organization, advised and guided the team.

Going forward, this plan will require significant collaboration among a wide range of University, neighborhood, and health care partners. We're working closely with individuals and organizations that have an interest in the project.

3. Why are these partners working together?

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It makes sense. All three partners are committed to excellence in clinical care, education, research, scholarship, and to the health of Minnesotans. Each of the institutions benefits from each other's successes and leverages partners' strengths to promote the health of the community. Over the past seven years, they have invested heavily on the basis of that success to integrate organizations, people, and programs. Each organization had begun to plan strategically on it own, yet it became clear that by working together, we would avoid duplication of effort and services and realize the greatest success.

4. Where will the new facilities be located?

The new clinical sciences facilities will use and renovate many of the existing buildings of the Academic Health Center. The team explored four different scenarios; the scenario recommended by the consulting team to best meet operational and capital efficiency planning principles involves relocating at least one student resident hall, most likely Pioneer Hall. We recognize the value of the student community created on the SuperBlock, and we will build to maintain or enhance this important feature. We're now looking at the feasibility of implementing this plan.

5. How long will it take to build new facilities?

The project will have several stages. (Please see the enclosed time line.) The first stage would take about four years. Work will not begin, however, until we know the proposal is feasible, and a funding strategy is in place. One of the principles of our planning process is to engage the support of key external stakeholders – students, the neighborhood, and health care partners. We plan to do just that.

6. How will it be paid for?

We're exploring a variety of funding options and will most likely combine funding from a number of different sources.

7. Will the new facilities be bigger? (Are you adding more beds?)

These replacement facilities actually may have fewer staffed beds than the current hospital. By consolidating certain services, the buildings should be more efficient, allowing us to more easily provide the most appropriate care for each person.

8. Why are we renovating the children's facilities?

Fairview's pediatrics hospital is the largest single facility providing inpatient care for children in the area – it needs to be renovated, consolidated, and made a more appropriate space for delivering quality care to children. Our facilities are good, but we're looking at the next 20 years, as all forward-thinking organizations do.

9. How will building these facilities affect the cost of health care?

Research indicates that well-designed new facilities are more cost-effective than older, less consolidated spaces.

10. How will this affect other local health care providers?

There's actually a great benefit. That's because the new facilities will better prepare health care professionals, who go on to work with those providers. In fact, the providers we talked with told us that the better we meet our education mission, the better it is for them.

11. Will this drive up the cost of receiving health care at the University?

It shouldn't; because we're consolidating many operations and sites, it should create greater efficiencies, leading to a hospital that's more efficient to operate.

12. How will this impact the area – will the University be bigger? Will it affect the area near the river?

The University continues to grow to meet its educational and service missions, but does so in consultation with community members. The present report has developed alternative scenarios for discussion and further study. It's too soon to know what areas or properties will be affected. The next stage of planning will get us closer to what options are feasible and fundable, and over what time frame.

13. How will this affect jobs at the U, UMPhysicians, and Fairview – if this center is truly efficient, does that mean a reduction in jobs?

The demand for health care services suggests new facilities could actually increase the number of jobs. This is going to be a slow, thoughtful process, taking up to 20 years, so we'll be able to look ahead and plan for changes in workforce and structure. Whatever the ultimate plan, there will be no sudden change.

14. Will this divert funding from other important needs at the U?

Our funding plan is not yet in place. The Academic Health Center is an important part of the University; the University will set its priorities and will place this on the list.

15. If the University needs a new hospital, why did it sell the one it had to Fairview?

The University sold the hospital so the Academic Health Center could devote its full attention to what it does best: educating tomorrow's health care professionals, and providing the new, breakthrough therapies that prevent and treat disease to the health marketplace. The AHC and Fairview continue to have a productive partnership. (See #16 below.)

16. What is Fairview's track record of managing the hospital?

Fairview has an outstanding reputation in hospital development and leads the country in innovative hospital management. Since the merger, Fairview has invested time and money into improving processes, streamlining care delivery, and changing patient access – moving the hospital into a more profitable financial position and supporting the education and research missions of the Academic Health Center. This has been, and will continue to be, a very productive partnership.

17. Who receives care at Fairview-University Medical Center?

A wide variety of patients receive care at Fairview-University. Patients come from throughout Minnesota and from the upper Midwest to receive high-quality care for some of the most complex medical conditions. In conjunction with its partners, Fairview hosts nationally recognized centers for transplant, cancer treatment, and behavioral services, among others.

18. Will the health professional schools continue to work with other health systems and communities?

Absolutely. We have students and programs in more than 500 communities in the state of Minnesota. We could not fulfill our mission without the strong support of all of Minnesota's hospitals, clinics, and communities.

19. What happens next?

We're exploring funding as well as program planning options. A number of feasibility reviews and studies are moving forward. We expect that the Board of Regents will be briefed on the study at a working session at their November meeting.

We plan to keep everyone informed with regular updates. If you'd like to be on our mailing list, please send an e-mail to clinicalcampus@umn.edu. You can also read the complete Clinical Campus report at www.ahc.umn.edu.

EBENEZER INTERGENERATIONAL DAY PROGRAM

A Special Place for Special People

Sam sits in "Grandpa Bill's" lap watching carefully as the elderly man demonstrates how to tie the boy's little red tennis shoe. It has been years since Bill could stoop down to tie his own shoes, but he remembers the drill. Make a loop. Bring it around. Pull it through.

Bill urges the boy to give it a try. Sam grabs the laces and with much concentration, ties his first wobbly loop. "Thatta boy," laughs Bill, giving Sam a high five.

Then the boy kneels down and shakily ties the old man's shoelaces, too.

Something magical happens when the young and the old spend time together. As they help each other and learn from one another, an unmistakable bond forms that transcends differences in age or ability.

At the Ebenezer Intergenerational Day Program, that magic happens every day.

You can see it on the playground as seniors catch preschoolers at the bottom of the slide. Or find it in the nursery, where adoring "grandmas" rock sleeping infants. And you can hear it in the voice of an elderly man as he reads wide-eyed toddlers a story.

Set on the Ebenezer Ridges campus in Burnsville, our intergenerational day program addresses the unique needs of the youngest and the oldest members of our community and their families.

We provide a safe, caring environment for both older adults and children to interact with one another and form meaningful relationships. Although each age group has separate areas, they gather daily in intergenerational space and outside at our joint playground/patio for planned activities.

Our intergenerational space includes:

- A computer center
- Games, toys and puzzles
- A plentiful supply of books to read by the fireplace
- An area for arts and crafts
- Outdoor playground and patio

Whether children and seniors are baking cookies, painting pictures or playing board games together, one thing is for sure: there is never a shortage of happy smiles or excited laughter.

Why It Works

Building on Ebenezer's faith-based heritage, our intergenerational program helps bridge the generation gap. Children learn respect for the elderly and compassion for their physical limitations. Older adults maintain self-worth by sharing their lives and experiences.

We believe the young and the old have much to offer one another. Children bring life, spirit and joy to the elderly, keeping them young at heart. And likewise, the attention and encouragement of seniors helps children flourish.

For the Young...

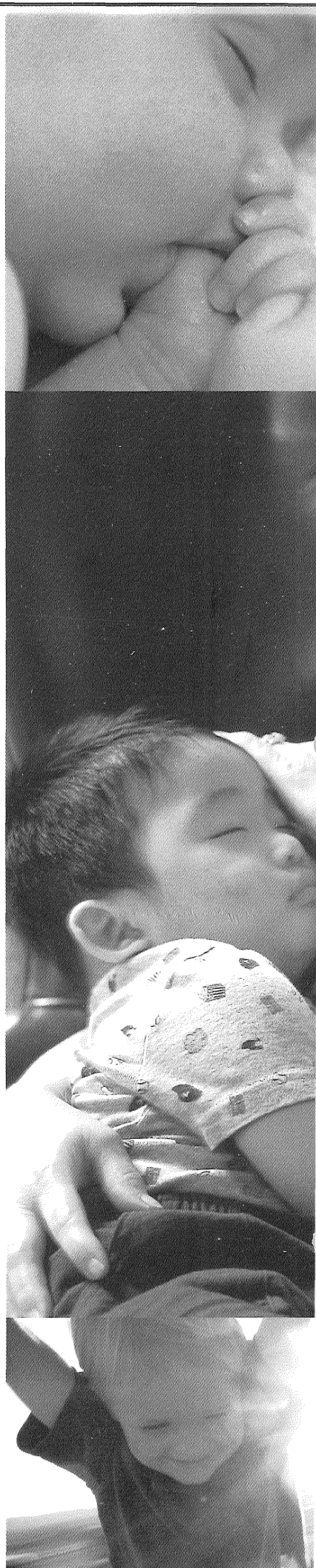
Our child care program provides a stimulating and nurturing environment for infants, toddlers and pre-schoolers. We offer a balanced approach to childcare, focusing on the "whole" child by promoting social, emotional, physical and educational growth.

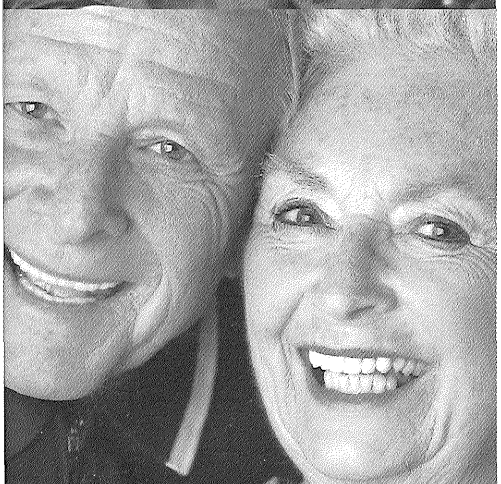
We also believe in hands-on learning and children are encouraged to explore, create, question, and make choices. We have a full preschool program rich in language, math, music and art with a bi-lingual emphasis in Spanish and sign language.

The children's program includes:

- Age-appropriate classrooms and play areas designed and decorated to bring the outdoors inside with trees, bugs, frogs...even a treehouse
- Secured, outdoor intergenerational playground/patio designed for physical development through exercise and exploration
- Nutritious breakfasts, hot lunches and snacks included
- Daily activities with seniors that build loving relationships
- Field trips, birthday parties, and special theme-weeks like, "At the Farm," or "Let's go to the Circus"
- Family programming including pizza and movie nights
- Children's church services

At Ebenezer, your children are cared for by the highest qualified people who are as dedicated to the well-being of your child as you are. All staff members are experienced in early childhood education and are certified in first aid and CPR. Parents receive daily updates on their child, formal conferences twice a year and a monthly newsletter of our activities.





Our adult day area adjoins the children's program and provides care for older or disabled people living in the community. Our warm and welcoming staff provides personalized care for older adults who live at home or with family, but need some assistance during the day while caregivers are at work or in need of respite.

We believe that staying active and interacting with others is key to an older adult's self-worth and independence. So every day, participants in our program can get busy with art projects, enjoy music or entertainment, play games, get some exercise and make new friends.

The adult day program also includes:

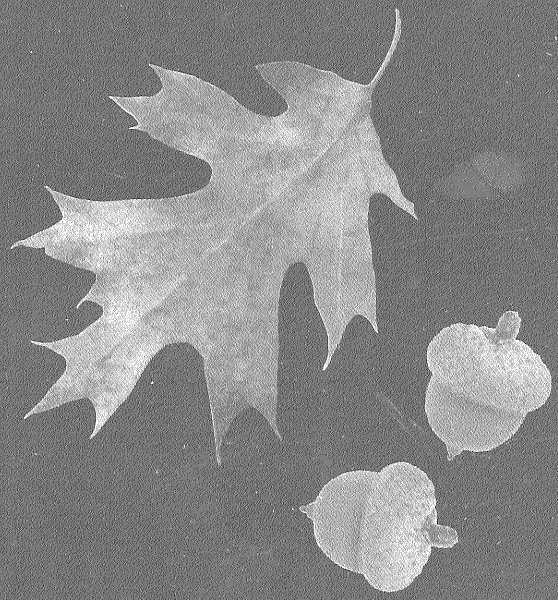
- A computer center, activity rooms and a homey living room area with a fireplace and easy viewing of the children's play areas
- Secure, outdoor playground/patio where adults can watch the children play
- Assistance with personal care including a whirlpool bath and access to the campus beauty salon/barber shop
- Breakfast, hot lunches and snacks accommodating dietary restrictions
- Spiritual services including Bible study and on-site worship
- Variety of recreational, social and intergenerational activities
- Transportation

The health of participants is always our top priority. We have a registered nurse on staff to provide health and blood pressure monitoring and medication assistance. Because our program is linked to Ebenezer Ridges Care Center, we also provide many unique on-site services including physical, speech, occupational and music therapy.

...and the Young at Heart

Come See the Magic

There is something truly magical about the Ebenezer Intergenerational Day Program. But don't just take our word for it. Families searching for either adult or child day care are always welcome to come in for a visit. It's as easy as picking up the phone. Call **952-898-8400** for an appointment today.



EBENEZER

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Information

Ebenezer Adult Day Program

A daytime community for older adults

EBENEZER

As an organization of caregivers, we know providing full-time care for your loved one at home can be difficult at times. That's why we've developed a program at Ebenezer to give you a hand. For more than 20 years, the Ebenezer Adult Day Program has helped older adults remain as independent as possible, while giving their caregivers support and peace of mind.

We Can Help

Our warm and caring staff provides personalized care for adults 55 and older who live at home or with family, but need some assistance during the day while caregivers are at work, or simply in need of a break. Ebenezer's adult day program also offers relief to caregivers who can rest assured that their family member's medical, social and spiritual needs are bring met in a safe, enjoyable atmosphere.

Convenient Locations

To better serve you, our adult day program is conveniently located in three locations; Minneapolis, Burnsville and Rosemount.

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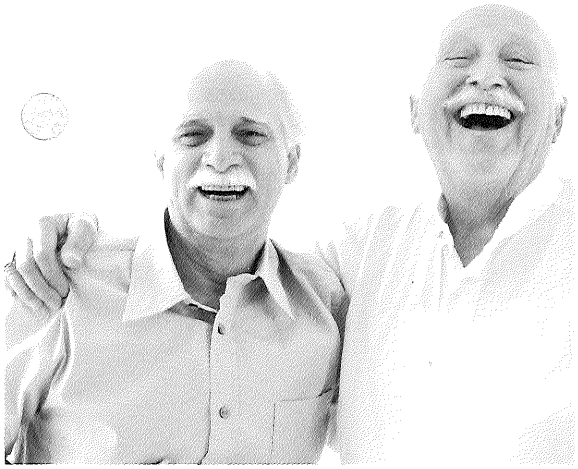
Karen Shannon
Director of Adult Day Services

952-898-3085
kshanno2@fairview.org

Ebenezer Ridges Care Center
13820 Community Drive
Burnsville, MN 55337
Fax 952-898-8450

Contact Information



For more information or to schedule a visit to determine whether the Ebenezer Ridges Adult Day Program is right for you or your family member, please call: **952-898-3085**

Ebenezer Ridges Adult Day Program
13810 Community Drive
Burnsville, MN 55337

Or check us out on-line at:
www.fairviewebenezer.org

Experience You Can Trust

You can trust that at Ebenezer, your loved one is in good hands. For more than 85 years, Ebenezer, a part of Fairview Health Services, has helped older adults and others make their lives more independent, healthful, meaningful and secure.

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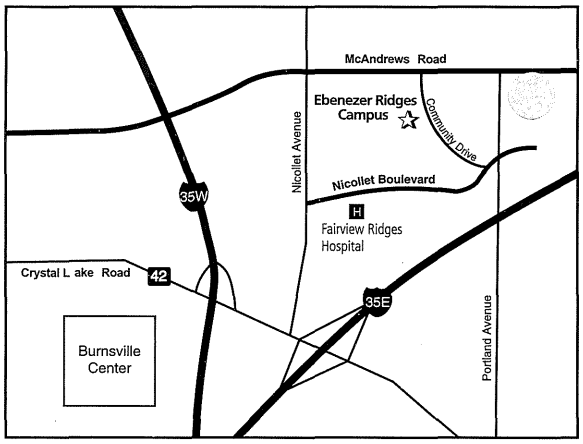
Directions



From the North:

Go south on 35W, exit at Crystal Lake Road (County Road 42). Turn left on Crystal Lake Road. Travel ½ mile to Nicollet Avenue and turn left. Turn right on Nicollet Boulevard to Community Drive. Turn left on Community Drive to the Ebenezer Ridges campus.

From the East

Go south on 35E to County Road 42. Turn right on County Road 42 and go west to Nicollet Avenue. Turn right on Nicollet Avenue. Turn right on Nicollet Boulevard to Community Drive. Turn left on Community Drive to the Ebenezer Ridges campus.

Parking

Free parking is available at any of the buildings on the Ebenezer Ridges campus.

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Ebenezer Ridges Adult Day

Meeting Your Needs

Our warm and welcoming staff provides personalized care and activities for adults age 55 and older who:

- live at home but need some health monitoring and assistance with personal care or daily activities
- live with family and need supervision during the day while family members are at work or in need of respite
- are in need of social stimulation, spiritual or emotional support
- are transitioning from a hospital or care center to home
- are in need of specialized programming due to memory or other cognitive losses

Health and Personal Care

The health of our participants is always our top priority. Our program offers many health and personal care services including:

- Registered nurse on staff
- Medication assistance
- Health and blood pressure monitoring
- Assistance with personal care including a whirlpool bath and access to the campus beauty salon/barber shop
- Access to on-site services including physical, speech and occupational therapy

Ebenezer Ridges Adult Day

Nutrition

Our program fee includes a continental breakfast, hot lunch and an afternoon snack meeting one-third of the minimum daily nutrition requirements. All meals and snacks are planned by a registered dietitian and are prepared on site in a state-of-the-art kitchen.

Safety

Our adult day area is hazard-free and is cleaned daily. All doors at our center are locked and require a special code for entrance and exit to prevent wandering. And every member of our staff is certified in first aid and CPR.

Transportation

Daily transportation is available to and from the program through Dakota County Area Resource Transportation (DARTS) and is coordinated by the adult day program staff. Vans are air-conditioned and wheelchair accessible. There is an additional charge for private pay participants.

Space and Environment

Our adult day space is specifically designed and decorated to appeal to older adults. Participants in our program can play cards or socialize in our homey living room area or curl up in front of the fireplace on a comfortable sofa. The space also includes a computer center, activity rooms and a full kitchen for baking cookies. Participants can also watch children playing in our secure, outdoor playground and patio.

An Active Community

We believe that staying active and interacting with others is the key to maintaining an older adult's self-worth and independence. S[illegible]e make sure the needs of each adult day program participant are met, whether he or she wants to explore a new hobby, go on a fun, community outing, or just spend a little quiet time alone. We offer a variety of recreational and social activities including:

- Exercise
- Spiritual services/ worship
- Cooking/baking
- Balloon volleyball and other games
- Bingo
- Bowling
- Cards
- Arts and crafts
- Horticultural program
- Discussion groups
- Movies and slides
- Music and singing
- Entertainment
- Community outings
- Parties and special events

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Ebenezer Ridges Adult Day Program
13810 Community Drive
Burnsville, MN 55337
www.fairviewebenezer.org

Caring for the Young and the Young at Heart

Because our adult day program adjoins the Ebenezer Ridges childcare program, we are able to meet the needs of the youngest and the oldest members of our community and their families in a unique way.

Although each age group has separate ar[illegible], our adult day program participants gather daily in intergenerational space with toddlers and preschoolers from the childcare program to share activities, have fun and form meaningful relationships. Whether they are baking cookies or playing board games together, one thing is for sure: there is never a shortage of happy smiles and laughter.

Children also pick a "grandma or grandpa" from the adult day program and they spend time together daily, building this special friendship. The children run to give their grandpas a hug or climb into the laps of their grandmas for story time, while taking walkers and wheelchairs in stride.

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Intergenerational Program

Why it works

Building on Ebenezer's faith-based heritage our intergenerational program helps bridge the generation gap. Children learn respect for older adults and compassion for their physical limitations. Older adults maintain self-worth by sharing their lives and experiences.

We believe the young and old have much to offer one another. Children bring life, spirit and joy to our adult day participants, keeping them young at heart. And, likewise, the attention and encouragement of seniors helps children flourish.

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13810 Community Drive
Burnsville, MN 55337
www.fairviewebenezer.org

Hours and Rates

Hours

Our hours are 7 a.m. to 5 p.m., Monday through Friday. We are closed on most major holidays.

Rates

The Ebenezer Ridges Adult Day Program is very affordable and often costs less than home care services. A sliding-scale fee, as well as financial assistance, are available through Dakota County. We accept the following methods of payment:

- Private Pay
- Elderly Waiver
- Veteran's Administration
- CADI
- Insurance
- Alternative Care Grant

Basic Services:
Adult Day Program – $64 / day

Transportation
Transportation is provided by DARTS and is coordinated through the adult day program.

Personal Care Services:
Whirlpool bath (1/2 hour) – $20

Beauty / Barber Services:
For appointments and prices, please contact the adult day program staff.

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Enrollment Process

Private pay individuals can self-refer to our program. Caregivers should call and schedule a meeting with the adult day program direc and a tour of our facility. During this visit, we will determine if the adult day program can best meet the needs of your family member and, if so, will help develop a schedule for his or her attendance. We can also help arrange transportation at this time.

A case worker must send us an authorization of services before an older adult on county or medical assistance can attend our program. We strongly encourage caregivers and participants to also meet with us and tour the facility before beginning our program.

When you visit us, we will ask you to complete a health assessment and application form. We require a complete medical report from a physician at the time of enrollment and yearly thereafter.

Please call **952-898-3085** for more information or to schedule an appointment to visit our program.

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Ebenezer Ridges Adult Day Program
13810 Community Drive
Burnsville, MN 55337
www.fairviewebenezer.org

What Participants Say...

- "My mom has dementia, and she enrolled in the adult day program nearly six years ago. We are so blessed to have this wonderful program to bring her to each week. It gives me a break and mom a break as well, so we are both refreshed and renewed. My mom receives outstanding care. I know Mom has many challenging moments, and I've observed the skill with which these challenges are handled. Each and every caregiver is helpful, interested, caring and supportive. I am truly confident mom is loved at Ebenezer. When I bring my Mom to the adult day program she is peaceful and content. She comes right in and makes herself at home. She is welcomed and hugged many times."

continues on back

What Participants Say...

- "My parents have been attending the Ridges Adult Day Program for nearly a year. I cannot say enough about the program. The variety of activities keep them busy, but they are also allowed down time to visit or nap, if that is what they want or need. Mom had been in a wheelchair for two years, and my dad was worn out from caring for her and had many issues of his own. But with the love and encouragement they have received at Ebenezer, my mom is now walking with a walker and there is a spring in my dad's step that has not been there in a very long time. I won't be so melodramatic to say this program saved their lives, but I will say that it has given them back the will to live those lives."
- "The adult day program has been a Godsend for my husband and me. My husband was diagnosed with Alzheimer's disease in 2001 and needs guidance in everyday activities. He cannot be left alone for safety reasons. By taking him to the day program once a week, I am free to quilt with my quilt group, shop or run errands. I have a sense of relief and freedom knowing that he is being treated with compassion and care by the positive, fun-loving and excellent staff at Ebenezer."

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Ebenezer Ridges Adult Day Program
13810 Community Drive
Burnsville, MN 55337
www.fairviewebenezer.org

Locations:

Ebenezer Hall Adult Day Program
2545 Portland Avenue
Minneapolis, MN 55404
612-879-1499

Ebenezer Rich Valley Adult Day Program
14385 E. Blaine Avenue
Rosemount, MN 55068
651-423-5926

Ebenezer Ridges Adult Day Program*
13820 Community Drive
Burnsville, MN 55337
952-898-3085

*Intergenerational program for older adults and children

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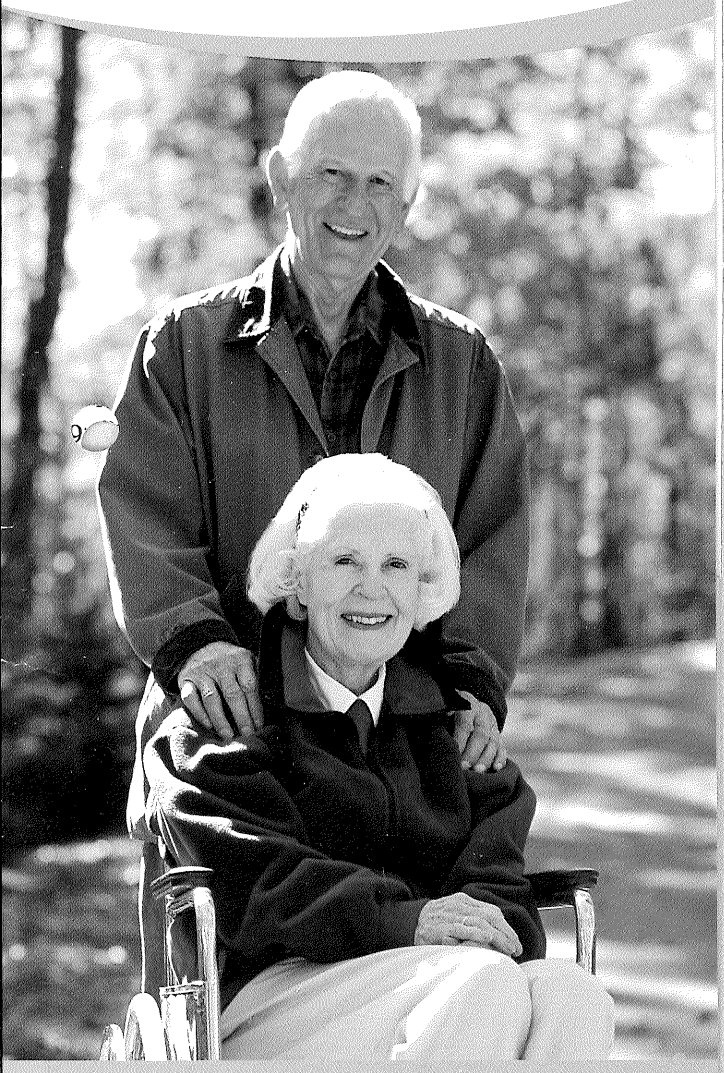
Ebenezer Ridges Care Center

Care and support tailored to meet your needs



EBENEZER

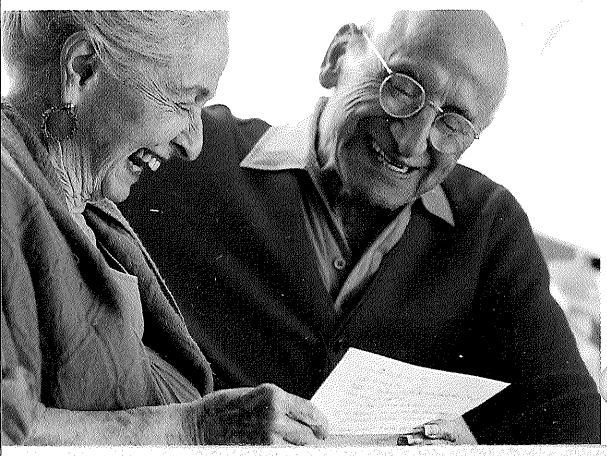
Set on the Ebenezer Ridges campus in Burnsville, Ebenezer Ridges Care Center provides both short-term skilled nursing care for those planning to rehabilitate back to a community setting and long-term care for those who need round-the-clock care and assistance.

A Place to Call Home

Ebenezer Ridges Care Center offers both semi-private and private suites, comfortable lounge areas and a charming dining room. Residents and their families can catch up in our coffee shop, pick up a greeting card in the gift shop or stop by our beauty/barber shop. The care center is also linked by an enclosed walkway to the Ebenezer Ridges community, including a senior apartment building, assisted living building and an intergenerational day program.

Exceptional Care and Service

With more than 20 years of experience, Ebenezer Ridges Care Center has built a solid reputation for exceptional care and service. That's because we pay close attention to the needs of our residents and to the concerns and questions of their family members.



Contact Information

For more information or to schedule a visit to determine whether Ebenezer Ridges Care Center is right for your loved one, please call:
9[illegible]398-8400

Ebenezer Ridges Care Center
13820 Community Drive
Burnsville, MN 55337

Or check us out on-line at:
www.fairviewebenezer.org

Experience You Can Trust

Ebenezer Ridges Care Center is owned and managed by Ebenezer, part of Fairview Health Services. For more than 85 years, Ebenezer has helped older adults and others make their lives more independent, healthful, meaningful and secure.

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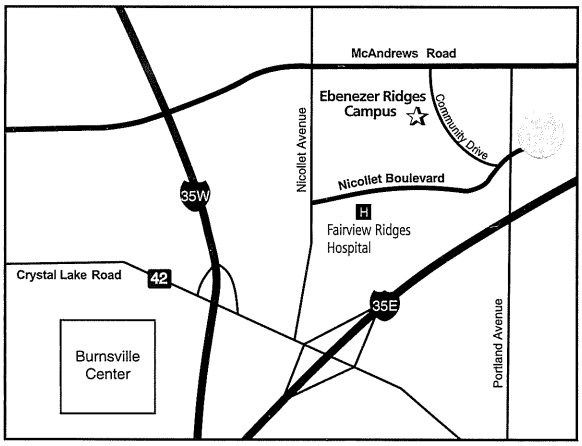
Directions



From The North

Go south on 35W, exit at Crystal Lake Road (County Road 42). Turn left on Crystal Lake Road. Travel ½ mile to Nicollet Avenue and turn left. Turn right on Nicollet Boulevard to Community Drive. Turn left on Community Drive to the Ebenezer Ridges campus.

From The East

Go south on 35E to County Road 42. Turn right on County Road 42 and go west to Nicollet Avenue. Turn right on Nicollet Avenue. Turn right on Nicollet Boulevard to Community Drive. Turn left on Community Drive to the Ebenezer Ridges campus.

Parking

Free parking is available at any of the buildings on the Ebenezer Ridges campus.

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Part of Fairview Health Services

Meeting Your Needs

Ebenezer Ridges Care Center offers two levels of care—long-term and transitional—to best meet your needs. For our long-term residents who require round-the-clock care and assistance, the care center is home. For our transitional patients, Ebenezer Ridges Care Center provides either a short or extended stay as they rehabilitate after an injury or illness. Both levels of care are designed to help each resident live as independently as he or she is able.

Long Term Care

This option provides skilled care for residents who need daily assistance and ongoing medical attention. Our team of health care professionals evaluates each resident's physical, psychological, nutritional, spiritual and emotional needs and develops a plan of appropriate care. This plan is designed to help residents achieve and maintain the highest level of independence according to their individual abilities.

Long term care services include:

- Resident-centered care, focusing on dignity and independence
- Multi-department care conferences with residents and families
- 24-hour nursing care
- Full-time social workers and chaplains
- On-site rehabilitation services
- Recreational therapists
- End-of-Life care and support

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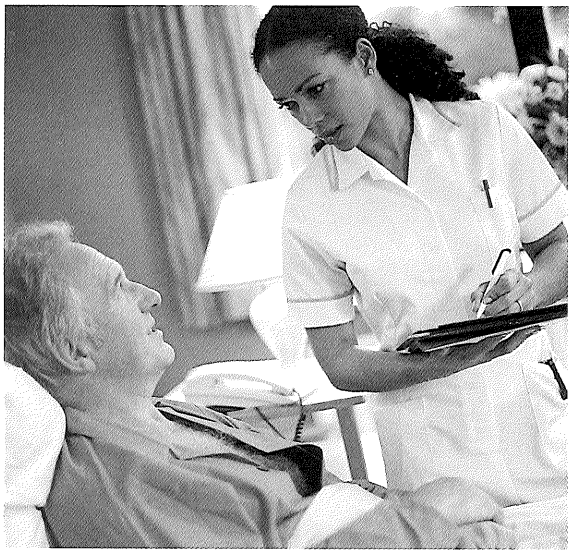
Transitional Care

Whether you are recovering from an injury or coping with a chronic illness, the transitional care unit at Ebenezer Ridges Care Center is designed to help each patient achieve the highest level of independence possible. Our intent is to help you return home when your established care goals are met. When necessary, we also help patients find an alternative to home that offers them an appropriate level of care.

An experienced, interdisciplinary team of professionals provides transitional care services at Ebenezer Ridges Care Center. This team is designed to identify and address the unique needs of each individual. Your transitional care team will provide:

- Individual discharge planning with the resident and family
- 24-hour nursing care
- Physical therapists
- Occupational therapists
- Speech language pathologists
- Social workers
- Dietitians
- Recreational therapists
- Chaplain



The transitional care unit at Ebenezer Ridges Care Center is a separate unit with a separate dining room. All our transitional care rooms are private suites to offer you and your family and visitors the privacy you need while recovering from your illness or injury. For an additional fee, these rooms are equipped with telephone, cable television and a VCR.

Real Life Rehab

Ebenezer Ridges Care Center offers a unique rehabilitation program for older adults in the Minnesota Valley. The Real Life Rehab program combines traditional rehabilitation services in a therapy space that recreates familiar surroundings patients often encounter in their homes and communities.

The Real Life Rehab space includes:

- An apartment with full kitchen
- Simulated grocery store
- A variable walking surface, ramp and street curb
- Indoor putting green

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Ebenezer Ridges Care Center
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Burnsville, MN 55337
952-898-8400
www.fairviewebenezer.org

Make Yourself at Home

Ebenezer Ridges Care Center is a welcoming and friendly place. From the warm and comfortable front lobby to the charming dining room, our care center is designed to look and feel like home. Residents can choose from 64 unique private suites, with 40 double rooms also available.

Other amenities include:

- Chapel
- Coffee shop
- Auxiliary-operated gift shop
- Beauty/barber shop
- Comfortable lounge areas
- Private party/community room
- Outdoor patio and garden
- Overnight guest room for visitors

Our residents also have access to the entire Ebenezer Ridges campus and are welcome to participate in many of the scheduled activities at our other facilities.

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Make Yourself at Home

In Your Neighborhood

The Ebenezer Ridges campus is conveniently located near Burnsville Center and other great shopping centers and restaurants. There is plenty to do for visiting family and friends, with the Mall of America, an amusement park, a casino, horse racing and downhill skiing just a short drive away.

Ebenezer Ridges Care Center, part of Fairview Health Services, is just across the street from Fairview Ridges Clinic and Fairview Ridges Hospital. We can help make referrals for physicians, specialists and additional programs and services.

An Active Community

We make sure the needs of each resident at Ebenezer Ridges Care Center are met, whether they want to explore a new hobby, go on a community outing, or just spend a little quiet time alone. We have on-site, certified therapeutic recreation therapists and ordained chaplains who offer a variety of recreational, social and spiritual activities for all our residents including:

- Exercise program
- Spiritual services/worship for all walks of faith
- Bingo and other games
- Arts and crafts
- Entertainment
- Intergenerational activities
- Parties and special events
- Community outings

Ebenezer Ridges Intergenerational Day Program

This innovative program not only provides daycare for young children, but also an adult day program for seniors. It creates a safe, caring environment for older adults and children to share activities, have fun and form meaningful relationships. Children pick a special "grandma or grandpa" and spend time building this friendship daily.

Intergenerational activities, such as special holiday programs and arts and crafts projects, are some of the most popular activities on our campus. Residents at the care center are encouraged to participate in as many of our campus-wide intergenerational activities as they are able.

Children in the childcare program think nothing of walkers and wheelchairs as they run to give their favorite "grandma" a hug or climb into the lap of a "grandpa" for story time. And residents can't resist a smile and a friendly wave when the toddlers make their daily rounds at the care center in their big, red stroller.

EBENEZER

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Ebenezer Ridges Care Center
13820 Community Drive
Burnsville, MN 55337
952-898-8400
www.fairviewebenezer.org

Service to Make You Smile

Ebenezer employees represent the best of who we are and what we are about. It is our top-notch employees who set us apart from other providers who care for older adults.

From the minute you step into Ebenezer Ridges Care Center, you will experience the outstanding customer service that our employees provide for residents. They are attentive to the needs of each of our residents and go above and beyond to meet those needs every day. They not only care for our residents, but also about them...taking time to stop for a chat or lend an extra hand when it's needed.

We also recognize the special role family and friends play in the care of our residents. We welcome family members to participate in our monthly family council meetings to share their ideas and suggestions and to attend any of our scheduled events or activities.

What Our Residents Say

The people who have chosen Ebenezer Ridges Care Center are glad they did. This year, more than 94 percent of our patients, residents and their family members told us that they would recommend Ebenezer Ridges Care Center to others. But don't take our word for it. Here's what our patients and residents had to say.

- "I was very pleased with all facets of the facility. It is wonderful to have such a great place to be when it is needed."

continues on back

Service to Make You Smile

- "In one word, Ebenezer Ridges Care Center is all about professionalism. We loved the nurses—they did an exceptional job. Thank you for such a great experience."
- "Hands down, Ebenezer Ridges Care Center is the best care center I've been in."
- "The staff seemed more professional and, yet, still warm, when compared to some other care centers we've observed. We've really enjoyed being able to dine alone with my husband on occasion."
- "I truly appreciate the kindness, care and support given to my mother by the employees at Ebenezer Ridges Care Center."
- "We were very pleased with the transitional care unit and rehab services. You have a wonderful facility and outstanding employees. Keep up the good work!"
- "The staff at Ebenezer Ridges Care Center is super. I worked in nursing homes for 13 years, and I know how difficult it can be. Ebenezer got a gold star in my book. I couldn't have asked for a better atmosphere to do my 'healing' in. I really miss everyone who helped and cared for me."

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952-898-8400
www.fairviewebenezer.org

Referrals

The goal of our admissions team is to provide the best customer service possible to our referral sources. To make the admission process as quick and easy as possible, Ebenezer Ridges Care Center admits new residents 24-hours-a-day, seven-days-a-week. Admission phones are staffed 8 a.m. to 4:30 p.m., Monday thorough Friday, with a nursing supervisor available after hours and on weekends and holidays.

For more information or to make a referral to Ebenezer Ridges Care Center, please call **952-898-8400**.

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952-895-8400
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EBENEZER INTERGENERATIONAL DAY PROGRAM

~ *For the Young* ~

Ebenezer Child Care

Ebenezer Child Care Program provides a stimulating and nurturing environment for 56 infants, toddlers and preschoolers. We offer a balanced approach to childcare, focusing on the "whole" child by promoting social, emotional, physical and educational growth, as well as daily intergenerational activities with the campus.

Hours

Our hours of operation at 6:30 a.m. to 6:00 p.m., Monday through Friday. We are closed on the major holidays.

Enrollment Procedures

Before a child is enrolled in our program, we meet one-on-one with parents to discuss the needs of the child and the family. Enrollment, immunization, behavior and emergency forms are completed before a child can attend. A health care summary for your child must be signed by a physician and returned to the center within 30 days of enrollment. When a child is accepted into the program, we require a one-time registration fee of $60.00 per family along with a deposit of equal to one weeks tuition, which is applicable to the first week of tuition. These fees are non-refundable and hold a spot for your child in our program for no more that 60 days to guarantee enrollment.

Methods of Payment

Private Pay
Hennepin, Dakota and Scott County Programs
GMDCA

Nutrition

Our program tuition includes breakfast, hot lunch and an afternoon snack that meet the requirements of the USDA Child and Adult Nutrition Program. Our menu is reviewed and approved by a licensed dietitian and meals are prepared on-site and served at scheduled times each day. We also provide an iron-fortified infant formula.

Tuition Cost Per Week - 2005

CLASSROOM/AGES	COST PER WEEK
Infants (6 weeks – 15 months)	$245 Full-time only
Toddlers (16 months – 31 months)	$205 Full-time only
Young Preschool (32 months – 4 years)	$195 Full-time
Older Preschool (4 years – 5 years)	$185 Full-time
Part-time available to preschool only (32 months – 5 years)	*$55 per day – 2 day minimum*
School-age (available June-August only) (6-10 years)	*$175 Full-time only*

Vacation credits are not allowed for the School-age Program

Health and Safety

Your child's health and safety are always a top priority in our program. All staff members are certified in first-aid and CPR. Our center is hazard free and cleaned daily. We have security cameras in hallways and entrances. Parents entering the childcare area must use an authorized code to unlock the door and must sign their child in and out each day.

We make routine health checks daily and parents are contacted if a child is showing signs of a contagious illness. The ill child will be provided with their blanket and a quiet place to rest until they are picked up. Once a parent has been contacted, they must pick their sick child up within one hour. If a child is sent home due to illness, they must remain home the entire next day and until they are well enough to participate in the daily activities of their class. With written authorization from your child's physician, we will administer prescription medication.

Space and Environment

Our childcare center is designed and decorated to bring the outdoors inside with trees, bugs, frogs...even a tree house. All indoor play areas and classrooms are age-appropriate and are spacious, bright and colorful. Bathrooms and sinks are located in each classroom. Every classroom also has a secured door to our fenced playground/patio designed for exercise and exploration.

Curriculum and Activities

Our program is built on Ebenezer's faith based heritage and promotes a loving, Christ-centered environment for children. We also believe in hands-on learning and children are encouraged to explore, create, question and make choices.

We have a full preschool program, rich in language, math, music and art. Each classroom also learns American Sign Language and Spanish.

A typical day for your child will include daily prayers, Jesus time devotions, time for learning and education, outdoor and indoor playtime, story time, music, arts and crafts, meals and snacks, language class, naptime and intergenerational activities.

Intergenerational Programming

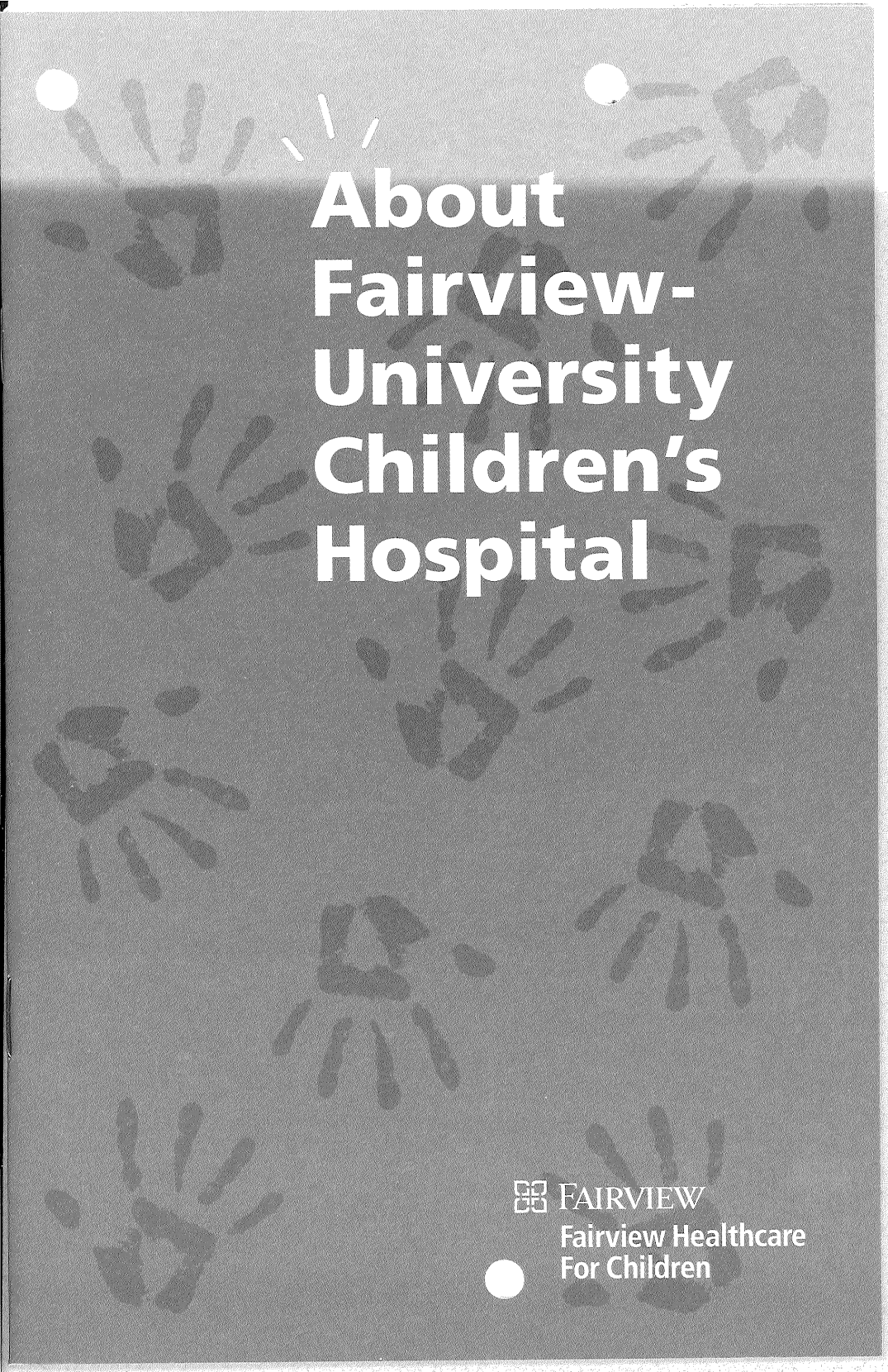
Daily intergenerational activities set our program apart from more traditional child care programs. Many children today don't live near their grandparents and don't have that valuable connection with older people. Our program helps build healthy relationships between the young and old.

Children will have daily opportunities to interact and build friendships with each other. Both the childcare teachers and campus staff will supervise these activities.

Children and seniors come together at least once a day and shared activities include:

~Story time
~Chapel time
~Outdoor playtime
~Arts and crafts
~Games
~Special events and parties

For more information about Ebenezer's Child Care Program, please call Jody Schumann at **952-898-3576**.



About Fairview-University Children's Hospital

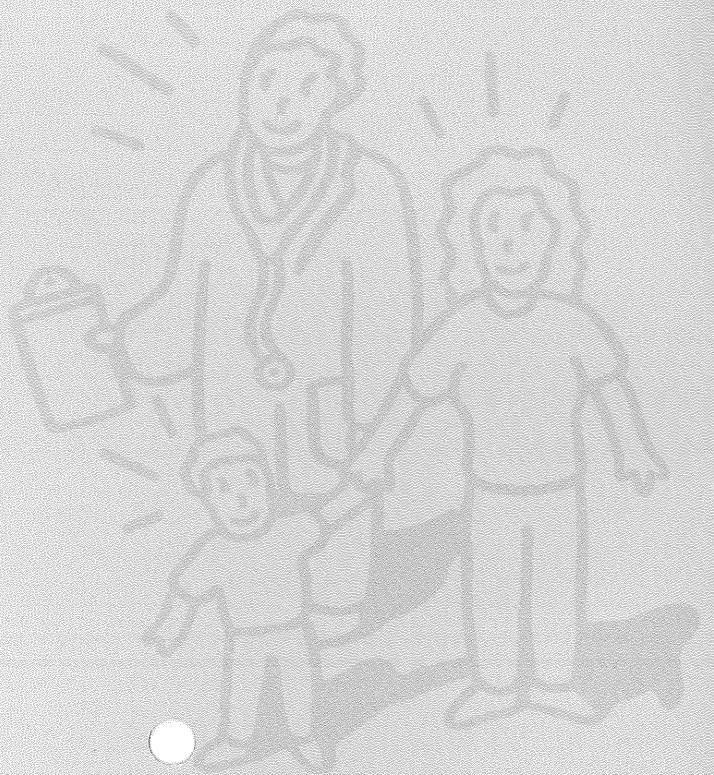
FAIRVIEW

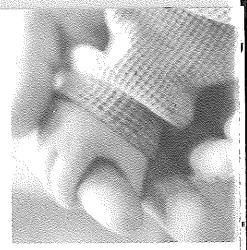
Fairview Healthcare For Children

Children's Bill of Rights

At Fairview-University Children's Hospital
you and your family have the right to:

- Respect and personal dignity
- Care that supports you and your family
- Information you can understand
- Quality health care
- Emotional support
- Care that respects your need to grow, play and learn
- Make choices and decisions



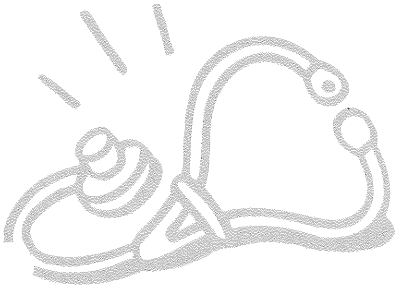


Fairview-University Children's Hospital is a "hospital within a hospital" at Fairview-University Medical Center, the nationally renowned research hospital affiliated with the University of Minnesota. Fairview-University Children's Hospital consists of:

- The Children's Center, an inpatient care unit
- Pediatric Intensive Care Unit
- Newborn Intensive Care Unit
- Inpatient and outpatient behavioral/chemical dependency services for children and adolescents

- Specialty clinics
- Pediatric Blood and Marrow Transplant Unit
- Organ Transplant Unit

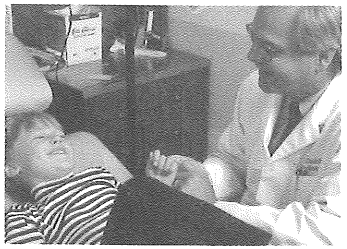
At Fairview-University Children's Hospital, leading edge technology and treatment offer the best possible medical care for your child, while a family-friendly atmosphere and caring staff give your child a place to rest and heal.

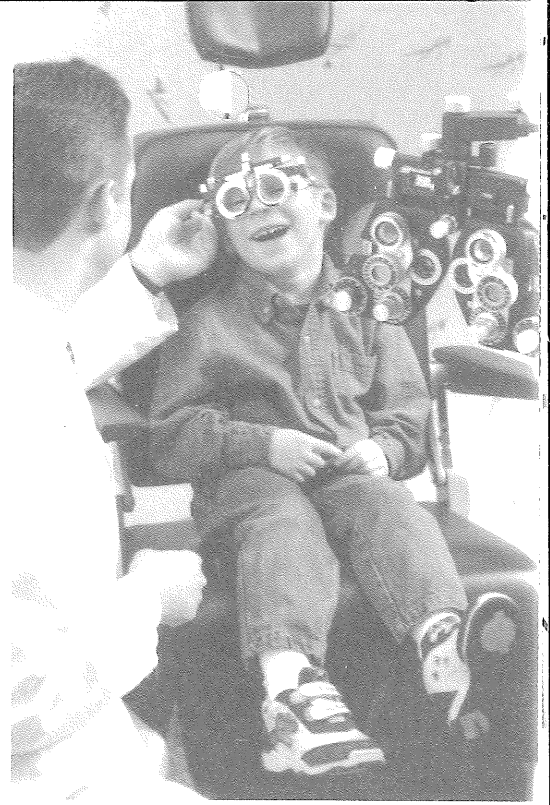


Range of Services

More than 75 full-time faculty physicians, pediatric nurse practitioners and over 100 resident physicians from the University of Minnesota care for children at Fairview-University Children's Hospital. Additionally, there are more than 300 community pediatricians, family physicians and child and adolescent psychiatrists who provide care for children. Services provided across the full continuum of care include: primary and specialty care in outpatient clinics, preoperative preparation, inpatient and outpatient care, rehabilitation services and home health care. Physicians work with nurses, social workers, psychologists, child family life specialists, pharmacists, dietitians, chaplains, technicians and volunteers to provide the most up-to-date medical treatment and psychiatric care. And of course, the child and family are a necessary part of this care team.

Annually, Fairview-University Children's Hospital has more than 7,200 admissions to the hospital. Each year there are over 60,000 children seen as outpatients in the emergency department, clinics, treatment programs and surgery.





A Caring Place

Fairview-University Children's Hospital has patient services on both the University and the Riverside campuses.

University campus

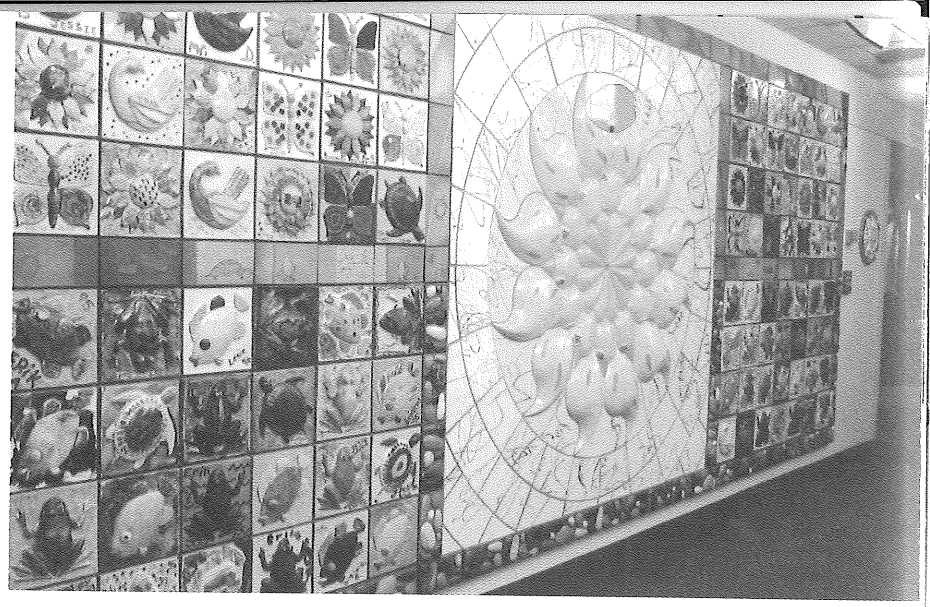
When you step out of the elevator on the fifth floor at the University campus, you know you are someplace special. The Children's Center is a bright, warm and welcoming space for children who need inpatient medical care. Artwork everywhere – much of it done by children themselves – reminds visitors and patients alike that this is a place for children.

The Pediatric Intensive Care Unit and the Pediatric Blood and Marrow Transplant Unit, both located on the University campus, have the people and equipment to provide the highly-specialized care their young patients need.

Riverside campus

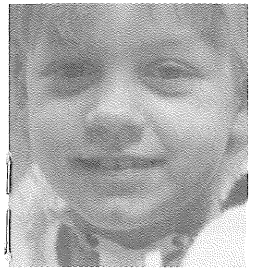
Inpatient and outpatient behavioral and chemical dependency (CD) programs and clinic services are located on the Riverside Campus. A variety of mental health therapies are used including occupational, recreational, family, art, music and milieu therapy. Family participation is a very important part of the therapeutic plan designed for children and adolescents.

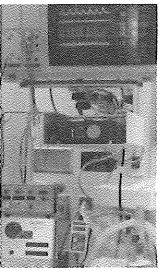
In the Newborn Intensive Care Unit on the Riverside campus, the hospital has the latest in high-tech equipment and fully-trained staff to help the most fragile infants.



Research

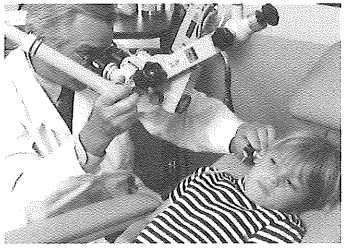
Medical care improvements in a variety of areas are the result of research carried out by the physicians at the University of Minnesota. Because Fairview-University Children's Hospital is affiliated with the University of Minnesota, its patients get the benefit of cutting-edge research, and up-to-date diagnosis and treatment that is available in only a few places in the world. That's good news for your child – and for children around the world.





Advantages of the hospital's connection to research include:

- Breakthroughs in open-heart surgery for children, making it an accepted and relatively safe procedure (the first pediatric open-heart procedure was done here more than 40 years ago)
- Major advancements in the treatment of childhood cancers leading to outstanding survival rates
- Development of the oldest and one of the world's largest pediatric bone marrow transplant programs (the first bone marrow transplant for a child was done here)
- Studying new psychiatric treatments (medications / therapies) to benefit children and adolescents with mental health issues and their families
- Implementing mental health prevention programs for children and adolescents at risk for behavioral / emotional disorders and substance abuse
- More kidney transplants for infants and children than at any other facility in the United States
- Ongoing investigation of new vaccines and treatments
- The oldest and largest laboratory in the United States devoted to middle ear infections (new and more effective antibiotics are currently being tested)



Specialty Programs

Some of the children who come to Fairview-University Children's Hospital are seriously ill and need specialized, expert care. Others have medical problems that are more common – but that are still a major concern for children and parents. The hospital's physicians and staff work with children with a wide range of medical needs.

Some of the key hospital-related programs include:

Behavioral/CD services

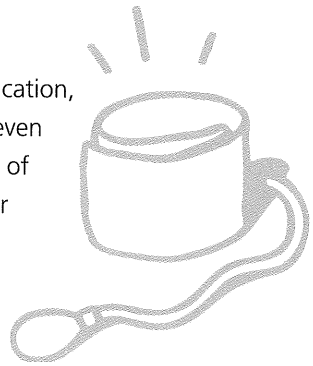
A full range of integrated assessment and treatment programs are available to enhance child and adolescent mental and chemical health. Areas of particular expertise include attention-deficit hyperactivity disorder, behavioral disorders, anxiety and mood disorders, eating disorders, learning disabilities, substance abuse, and dual diagnoses of chemical and mental health problems. Services include inpatient, outpatient, partial hospitalization and day treatment. Additionally, multiple outpatient programs are located on the Riverside campus and throughout the metropolitan area.

Blood and marrow transplant (BMT)

Fairview-University Children's Hospital collaborating with the University of Minnesota Physicians has created one of the most accomplished and comprehensive pediatric BMT programs in the world.

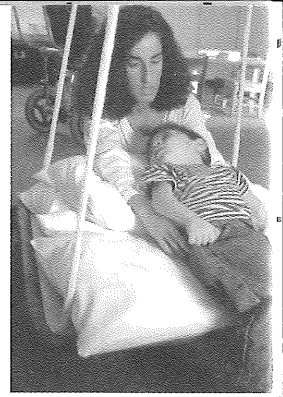
Heart disease

From diagnosis and treatment through medication, diet and exercise, to corrective surgery and even heart transplant, physicians at the University of Minnesota are nationally recognized for their work with heart disease.



Infectious diseases

Because patients from all over the world are treated at Fairview-University Children's Hospit[illegible] the physicians are regional and national consultants in the diagnosis and treatment of many infectious diseases. The doctors at Fairview-University Children's Hospital are familiar with a broad range of infectious diseases, from the very rare to the very common, and are at the forefront of treatment and prevention.



Newborn care

Fairview helps more babies enter the world than any other health system in Minnesota. When a baby needs extra help, the Newborn Intensive Care Unit has the most advanced technology and a skilled and empathetic staff to provide it.

Oncology care

Pediatric cancer research is an important part of the work of physicians at the University of Minnesota. They staff Fairview-University Children's Hospital which is internationally recognized for advancing the understanding of cancer's cause, its treatment and long term outcomes for children with cancer.

Organ transplant

The University of Minnesota physicians have more than 35 years experience with successful kidney, liver, heart, lung and small bowel transplants for infants and children.

Pulmonary disease

At Fairview-University Children's Hospital we offer a full array of diagnostic and interventional programs and services for children with pulmonary problems. One example is the Minnesota Cystic Fibrosis Center which is a nationally recognized center of excellence that uses a comprehensive care approach designed to prevent and slow the rate of disease progression.

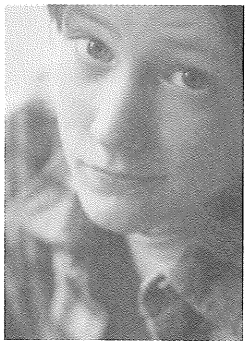
Surgical services

Experts at the University of Minnesota perform surgery on the tiniest babies using laparoscopic techniques not available [illegible]ewhere.

Clinics for Children and Adolescents

Adolescent gynecology
Adolescent health
Alopecia
Anxiety disorders and school refusal
Arthritis
Athletic injuries
Attention deficit hyperactivity disorder
Audiology
Autism and developmental disorders
Birth defects
Blood and marrow transplant
Brain tumor
Cardiology
Cardiovascular and thoracic surgery
Children with special needs
Cleft palate/craniofacial anomalies
Craniofacial and skull base surgery
Cystic Fibrosis
Dentistry
Dermatology
Diabetes
Down Syndrome
Eating disorders
Endocrinology
Epilepsy
Fetal Alcohol Syndrome and fetal substance exposure
Gastroenterology
General surgery
Genetics
Growth
Headache
Health psychology
Hematology/oncology
Hemophilia
HIV
Hypertension
Immunology
Infectious disease
International adoption
Learning disorders
Lipid
Metabolic
Mood disorders
Myelodysplasia (myelomeningocele)
Nephrology
Neurology
Neuropsychology
Neurosurgery

Newborn Intensive Care Unit follow-up
Ophthalmology
Oral and maxillofacial
Orthopaedics
Orthodontics
Otolaryngology (ear, nose, throat)
Pain
Peripheral nerve injuries and disorders
Pituitary/sellar disorders
PKU
Primary care
Pulmonary (asthma, BPD)
Psychiatry
Psychology
Rehabilitation
Rheumatology
Sports medicine
Teens at Risk
TMJ/facial pain
Transplant
Travel (international, immunization)
Urology



To get to the University Campus:

On I-94 (going either direction)

Exit at Huron Boulevard. Turn left onto Fulton. Go four blocks, turn right on East River Road. Turn right immediately on Harvard.

For emergencies, park in ER surface lot.
For other services, park in Patient/Visitor Ramp on Delaware between Harvard and Walnut.

On 35W (from north)

Heading south, turn right onto Highway 280. Take I-94 west. Exit at Huron Boulevard.

On 35W (from south)

Heading north, turn onto I-94 east. Exit at Huron Boulevard.

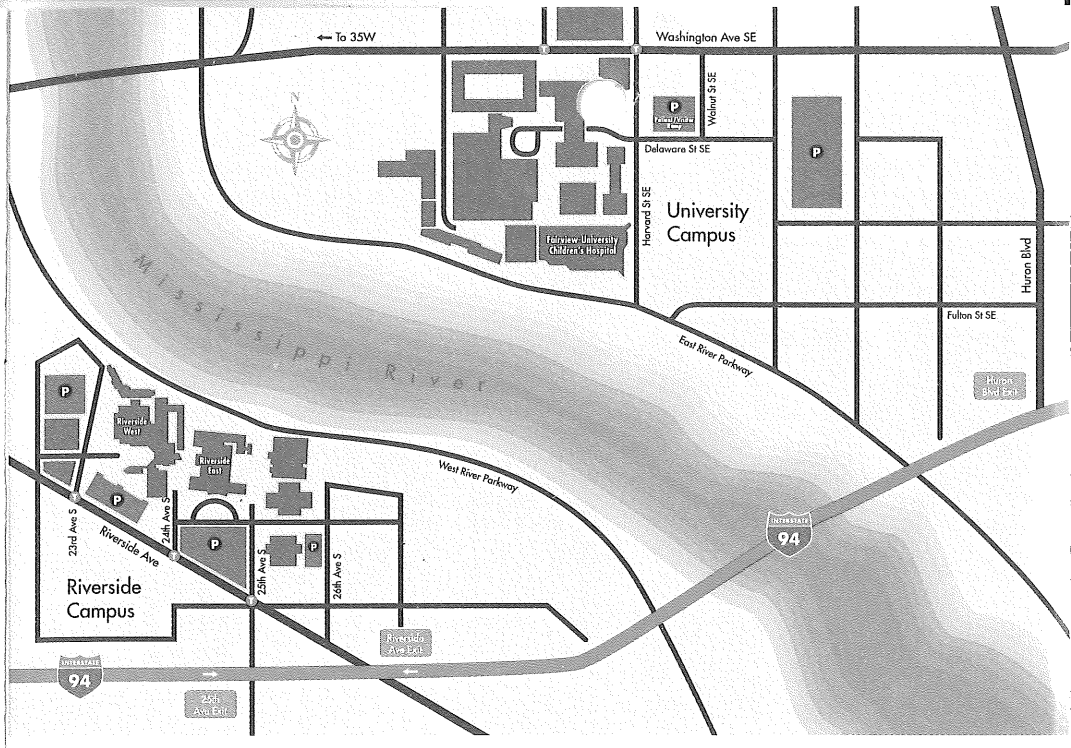
To get to the Riverside Campus:

On 35W (From North)

Heading south, turn right onto Highway 280. Take I-94 west. Exit at Riverside Avenue. Turn right onto Riverside. Proceed one block to the Riverside East building, three blocks to Riverside West.

On 35W (From South)

Heading north, turn onto I-94 east. Exit at 25th Avenue. Turn left, across bridge, and proceed to Riverside Avenue. Cross Riverside and continue on 25th Avenue to the Riverside East building, or turn left and go two blocks to Riverside West.



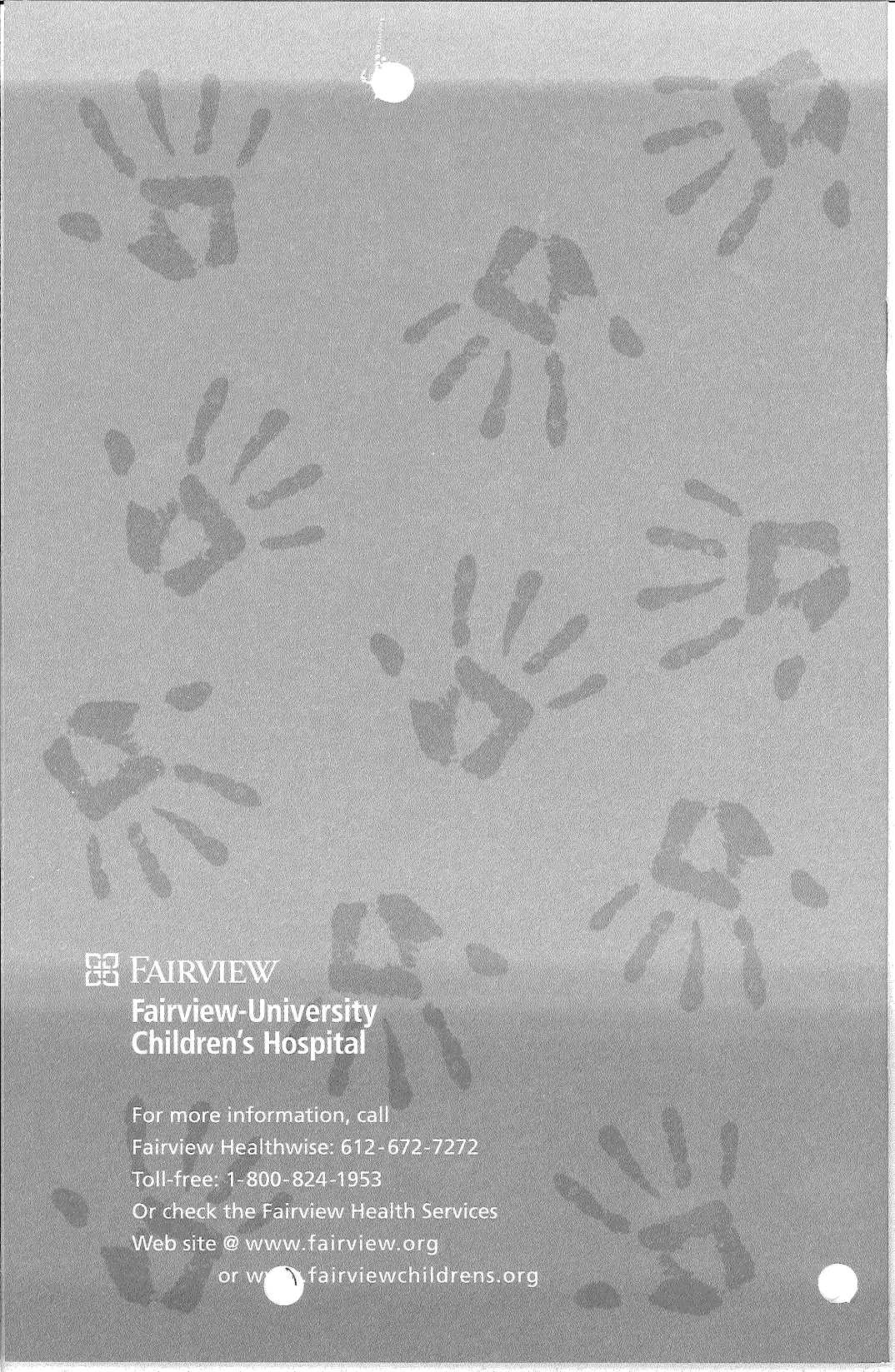
On I-94 (From East)

Heading west, take the Riverside Avenue exit. Turn right on Riverside. Proceed one block to the Riverside East building, three blocks to Riverside West.

On I-94 (From West)

Heading east, take the 25th Avenue exit. Turn left, across bridge, and proceed to Riverside Avenue. Cross Riverside and continue on 25th Avenue to the Riverside East building, or turn left and go two blocks to Riverside West.

Questions about directions or parking call
612-672-7272 or 1-800-824-1953

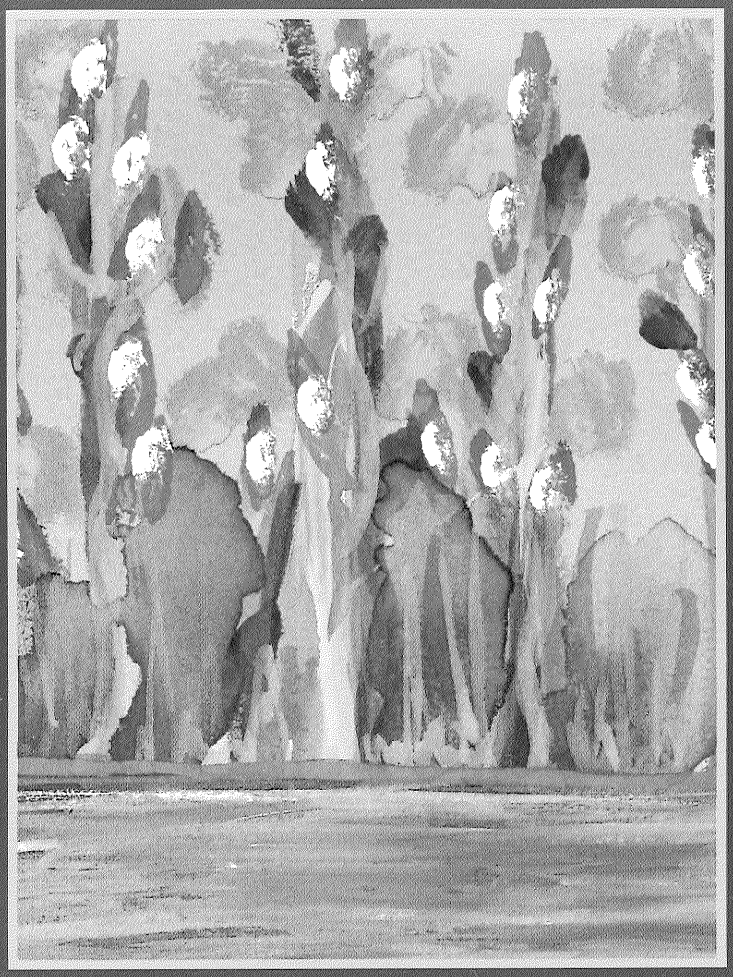


FAIRVIEW

Fairview-University Children's Hospital

For more information, call
Fairview Healthwise: 612-672-7272
Toll-free: 1-800-824-1953
Or check the Fairview Health Services
Web site @ www.fairview.org
or www.fairviewchildrens.org

...for a Healthier Tomorrow



Fairview Behavioral Services

At A Glance

FAIRVIEW

Fairview Recovery Services

For more than 30 years, Fairview Recovery Services has been a leader in providing hope and healing to individuals and families dealing with chemical addiction. Fairview has developed a reputation for high-quality, individualized chemical dependency care for adolescents, adults and seniors.

612-672-2222 (24 hours)
800-233-7503 (toll free)

Locations and services include:

FAIRVIEW-UNIVERSITY MEDICAL CENTER
2450 Riverside Ave.
Minneapolis, MN 55454

Adult Chemical Dependency
- Inpatient Detoxification
- Inpatient Dual Diagnosis
- Lodging Plus Program
- Day Outpatient
- Evening Oupatient
- Compulsive Gambling Program
- Deaf and Hard of Hearing Program
- Assessments

Adolescent Chemical Dependency
- Short Term Outpatient Preparation (S.T.O.P.)
- Assessments

EDINA OUTPATIENT PROGRAM
3400 W. 66th St., Suite 400
Edina, MN 55435
- Adult Day and Evening Outpatient
- Seniors Outpatient
- Relapse Prevention Program
- Women's Program
- Assessments

BURNSVILLE OUTPATIENT PROGRAM
156 Cobblestone Lane
Burnsville, MN 55337
- Adult Day and Evening Outpatient
- Women's Program
- Assessments

CRYSTAL OUTPATIENT PROGRAM
2960 Winnetka Ave.
Crystal, MN 55427
- Adult Evening Outpatient
- Women's Program
- Adolescent Day Outpatient
- Adolescent Female Lodging Plus
- Assessments

FOREST LAKE OUTPATIENT PROGRAM
246 11th Ave. S.E.
Forest Lake, MN 55025
- Adult Evening Outpatient
- Adolescent Day Outpatient
- Adolescent Male Lodging Plus
- Assessments

ELK RIVER OUTPATIENT PROGRAM
Ivan Sands School
1232 School St.
Elk River, MN 55330
- Adolescent Day Outpatient
- Assessments

MAPLEWOOD
Executive Office Center
2785 White Bear Ave., Suite 108
Maplewood, MN 55109
- Adolescent Day Outpatient
- Assessments

BROOKLYN PARK
Osseo Area Learning Center
7300 Boone Ave. N.
Brooklyn Park, MN 55428
- Adolescent Day Outpatient
- Assessments

Mental Health Programs

Fairview Behavioral Services offers a comprehensive program of mental health services for children, adolescents, adults and seniors. Under the guidance and care of Fairview's highly skilled professional staff, individuals and families grow in their understanding of themselves and develop skills that help them achieve healthier and happier lives.

612-672-6600 (24 hours)
800-468-3120 (out of state)

Locations and services include:

FAIRVIEW-UNIVERSITY MEDICAL CENTER
2450 Riverside Ave.
Minneapolis, MN 55454

- Adult Mental Health Inpatient Program
- Adult Specialized Program for Schizophrenic/Psychotic Disorders
- Adult Mental Health Eating Disorders Program
- Adult Mental Health Partial Hospitalization Program
- Adult Mental Health Day Treatment Program
- Special Populations Treatment Program
- Senior Mental Health Inpatient Services
- Senior Mental Health Outpatient Services
- Children's Mental Health Inpatient Services
- Adolescent Mental Health Inpatient Services
- Children's Day Therapy Program
- Adolescent Day Therapy Program
- Adolescent Dual Diagnosis Program
- Adolescent Eating Disorders Oupatient Program

FAIRVIEW SOUTHDALE HOSPITAL
6401 France Ave. S.
Edina, MN 55435

- Adult Mental Health Inpatient Program

FOREST LAKE
District Memorial Hospital
246 11th Ave. S.E.
Forest Lake, MN 55025

- Adolescent Dual Diagnosis Program

Fairview Counseling Centers

Fairview Counseling Centers provide outpatient psychotherapy to adolescents, adults, and seniors in a variety of locations throughout the metropolitan and surrounding areas.

For hours and appointments, call our Central Scheduling Office at 612-672-6999 (except where noted).

EDEN PRAIRIE
Eden Center Medical Building
830 Prairie Center Dr.
Eden Prairie, MN 55344

EDINA
3400 W. 66th St., Suite 400
Edina, MN 55435

ELK RIVER
Fairview Northland
Medical Building
290 Main St. N.W.
Elk River, MN 55330
763-241-5870

FOREST LAKE
District Memorial Hospital
246 11th Ave. S.E.
Forest Lake, MN 55025

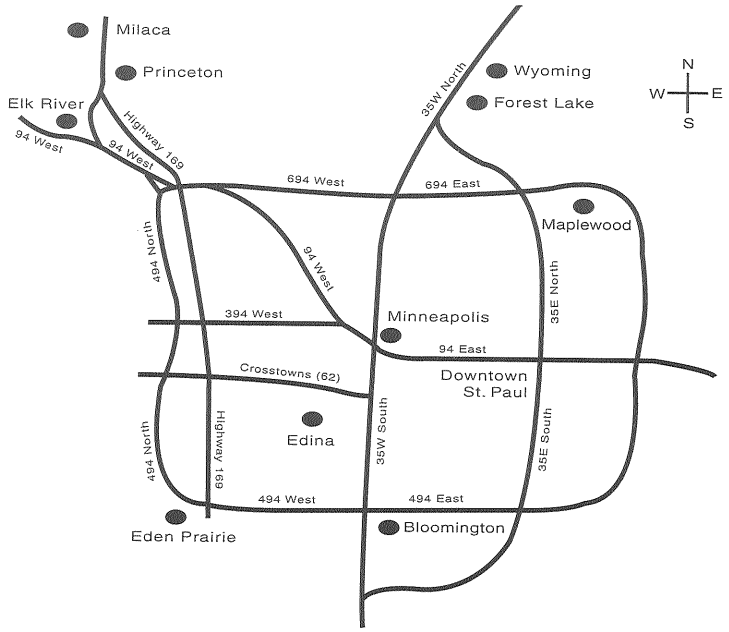
MAPLEWOOD
Executive Office Center
2785 White Bear Ave., Suite 108
Maplewood, MN 55109

MILACA
Milaca Health Care Center, Fairview
Ambulatory Services
150 - 10th St. N.W.
Milaca, MN 56353
320-983-7445

MINNEAPOLIS
Fairview-University Medical Center
Riverside Campus
North Building
2450 Riverside Ave.
Minneapolis, MN 55454

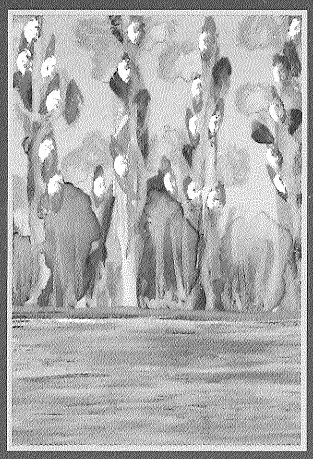
PRINCETON
Fairview Northland Regional Hospital
911 Northland Dr.
Princeton, MN 55371
763-389-6326

WYOMING
Fairview Lakes Regional
Medical Center
5200 Fairview Blvd.
Wyoming, MN 55092



When you need help

Fairview Behavioral Services is an integrated network offering a full range of mental health and chemical dependency programs. Our highly trained and qualified professional staff provide a comprehensive continuum of care for children, adolescents, adults and seniors. Our culturally sensitive programs are designed to help individuals work toward their personal health and well being. Together with the University of Minnesota Department of Psychiatry, the University of Minnesota Physicians and Behavioral Healthcare Providers, individuals, couples and families receive flexible programming at a variety of locations. Some services are hospital-based and others are conveniently located throughout the community.



To begin is the most important part of any quest, and by far the most courageous.

—Plato

Specialized services

Recognizing that people have different needs, Fairview Behavioral Services offers specialized services that meet each client's unique culture, gender and special treatment needs. Our specialized services include:

- Cultural Support – We are dedicated to providing quality, culturally appropriate services to our clients, their families and friends. Specific cultural programming addresses the needs of Native American and African American clients, including culturally relevant patient education, ongoing community-based support, client advocacy and culture support groups.

- Lodging Plus – Our newest alternative to traditional programming combines a nurturing, supportive home environment with six-day-per-week outpatient treatment programming.

Insurance information

We accept a wide range of health plans, as well as private insurance, Medical Assistance, Medicare and private pay. If you have questions about your coverage, our Mental Health Intake will be happy to work with you.

FAIRVIEW

Fairview Behavioral Services

Fairview - University Medical Center
Riverside Campus
2450 Riverside Avenue
Minneapolis, MN 55454
(612) 672-2222

A service of Fairview-University Medical Center

Fairview Rehabilitation Services

clinics, hospitals, transitional and home care

FAIRVIEW

Fairview Rehabilitation Services

For more information
about Fairview
Rehabilitation Services,
call Fairview HealthWise,
612-672-7272
or visit us at
www.fairview.org

Rehabilitation at Fairview

Helping you reach your full potential

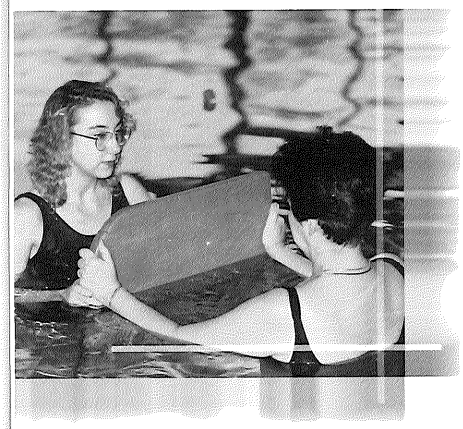
Serious illness, injury, surgery or a chronic condition is a life-altering experience, affecting your quality of life and your family's, too.

Often the road to healing requires the support of many health professionals – from physicians and nurses to voice specialists and physical therapists – who work together to help you reach your full potential. A part of the health care team, rehabilitation therapists help you to return to your daily routine with as much function, independence and confidence as possible.

When you call Fairview Rehabilitation Services, you gain access to a spectrum of world-class services that are provided where and when you need them – in hospitals and clinics, in transitional and long-term care facilities, and in your home.

Specialists at Fairview Hand Center treat problems affecting the hand, wrist and elbow. Our certified hand therapists have advanced training and national certification in rehabilitation of upper extremity conditions.

Affiliated with the University of Minnesota's Academic Health Center, Fairview has convenient access to physician expertise and research advances in rehabilitation.



Physical therapists work in a warm-water pool with children and adults who have acute or chronic musculoskeletal, orthopedic and neurological conditions. Fairview offers aftercare programs and arthritis classes, and adaptive swim lessons to the community.

Fairview's Amputee and Gait Training Program includes prosthetists and physical therapists who specialize in rehabilitation after limb amputation. They provide care before and after surgery.

Expert care for simple to complex conditions

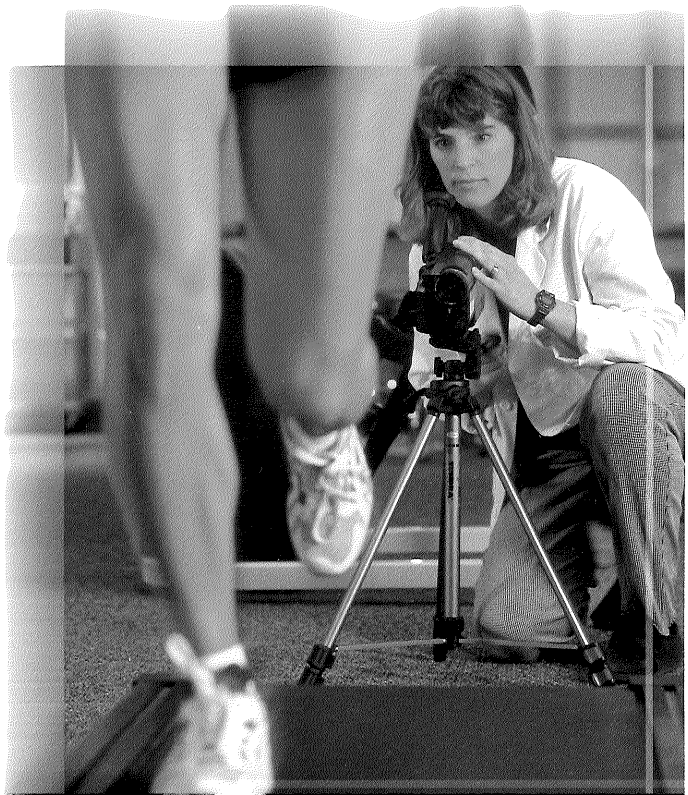
Fairview Rehabilitation Services is one of the region's largest rehabilitation providers. From Hibbing to Red Wing, hospital to home, our rehabilitation team's expertise is unequaled.

Physical and occupational therapists, speech-language pathologists, therapy assistants, orthotists, prosthetists, hand therapists, athletic trainers, chiropractors, voice specialists, massage therapists and exercise physiologists partner with physicians, nurses and many others to ensure comprehensive, coordinated care that is easily accessible.

A continuum of rehabilitation care in inpatient and outpatient settings

- acute rehabilitation unit
- aquatic therapy
- arts medicine
- assistive technology
- athletic training
- cardiac rehabilitation
- chiropractic
- geriatric
- hand therapy
- home care
- industrial rehabilitation
- in-hospital rehabilitation
- lymphedema treatment
- massage therapy
- multiple sclerosis, stroke, neurological
- occupational therapy
- orthopedic and sports medicine
- orthotics, prosthetics, pedorthics
- pediatric rehabilitation
- physical therapy
- seated and wheeled mobility
- speech-language pathology
- transitional services
- transplant rehabilitation
- voice therapy and education

Through Fairview Home Care and Hospice, rehabilitation therapists care for people in their homes, including those with complex medical conditions such as multiple sclerosis, and older adults.



Running specialists from the Institute for Athletic Medicine help both recreational and competitive runners recover from injury.

Rehabilitation in Fairview Hospitals

Inpatient and outpatient clinics

Our rehabilitation team works in inpatient and outpatient clinics located at Fairview hospitals, helping patients with a wide range of conditions – from people who have undergone a hip replacement or who have experienced a heart attack, to others who live with multiple sclerosis or facial paralysis.

Physical and occupational therapists, speech-language pathologists, exercise physiologists, and voice specialists see patients in the metro area at Fairview Ridges Hospital in Burnsville, Fairview Southdale Hospital in Edina, and at the Riverside and University campuses of Fairview-University Medical Center in Minneapolis.

Specialized rehabilitation services at Fairview hospitals include:

Aquatic therapy: Physical therapists work in a warm-water pool with children and adults who have acute or chronic musculoskeletal, orthopedic and neurological conditions. Fairview offers aftercare programs and arthritis classes, and adaptive swim lessons to the community.

Assistive technologies: Physical, occupational and speech therapists help children and adults with disabilities improve daily function and independence with services in seated and wheeled mobility, augmentative communication, computer access, and environmental control devices.

Aural rehabilitation: Speech-language pathologists specialize in helping adults and children with hearing impairments and cochlear implants.

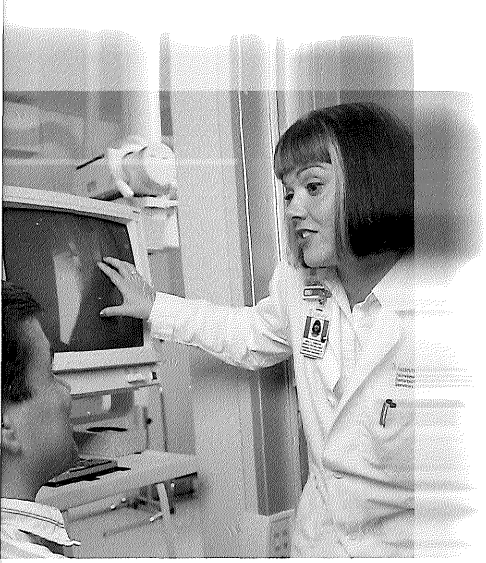
Back testing and rehabilitation: Physical therapists evaluate back problems using state-of-the-art back testing equipment, design a rehabilitation program for clinic or home use, and carefully monitor patient progress.

Cardiac rehabilitation: Occupational therapists and exercise physiologists join cardiologists, registered dietitians, nurses and others to provide inpatient and outpatient services, community-based maintenance programs, and education, such as the H.E.A.R.R.T. class, to prevent further heart-related events.

Physical, occupational and speech therapists help children and adults with disabilities improve daily function and independence with services in seated and wheeled mobility, augmentative communication, computer access, and environmental control devices.

Facial paralysis clinic: Physical therapists and speech-language pathologists work with patients to help diminish facial paralysis and improve control of the muscles of the face and mouth.

Low vision clinic: A part of the Visual Rehabilitation Center, this clinic brings occupational therapists and physicians together to help people with conditions such as macular degeneration, glaucoma and diabetic retinopathy.



Speech-language pathologists use state-of-the-art technology to treat conditions that range from swallowing disorders and hearing difficulties, to face and throat conditions that are a result of illness or injury.

Lymphedema treatment center: Physical and occupational therapists with advanced training and certification provide complete lymphedema treatment for people with primary and secondary lymphedema. Fairview is recognized by the National Lymphedema Network as a complete treatment center, the only such center in the metro area.

Multiple sclerosis rehabilitation: Fairview Rehabilitation Services partners with the internationally recognized Fairview Multiple Sclerosis Center to provide rehabilitation therapy and services for people with multiple sclerosis.

Pediatric rehabilitation: Rehabilitation therapists see infants and children with common physical, cognitive and developmental limitations, and have extensive experience treating those with complex medical conditions. The team works with physicians in primary and specialty care clinics in the community and in Fairview hospitals. They also see patients in the specialty clinics at Fairview-University Medical Center, including: Downs Syndrome, Spina Bifida, Hemophilia, Neonatal Intensive Care Unit and Follow-up, International Adoption, Juvenile Rheumatoid Arthritis, Audiology and Muscular Dystrophy.

Stroke rehabilitation: Physical, occupational and speech therapists partner with neurologists, physiatrists, nurses, registered dietitians and others at Fairview hospitals and at Fairview Southdale's Stroke Center to help people recover from and manage temporary and permanent changes caused by a stroke. Rehabilitation services include acute, home and transitional care, and outpatient therapy.

Vestibular rehabilitation: Together, physical therapists and physicians help people who experience dizziness and balance problems as a result of inner ear disorders or other neurological conditions. Dynamic evaluation and treatment includes the Balance Master System™, education in compensatory strategies and home exercise programs.

Rehabilitation services are also provided at Fairview Lakes Regional Health Care, Fairview Red Wing Regional Health Care and Fairview Northland Regional Health Care.

For more information, call Fairview HealthWise at 612-672-7272 or visit www.fairview.org.

Acute, Transitional, and Home Care

At Fairview, we recognize that as your rehabilitation needs change, so must the care. That's why we offer a continuum of services, from acute care and transitional services to home care. Within Ebenezer, a part of Fairview, we provide comprehensive rehabilitation care for older adults in a variety of settings.

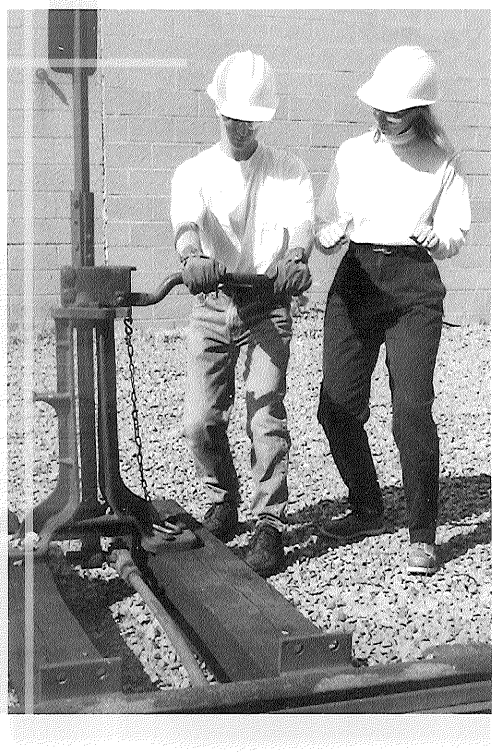
Fairview Acute Rehabilitation Unit: This full-service, 20-bed rehabilitation unit on the Riverside campus of Fairview-University Medical Center provides intensive rehabilitation for people following serious injury, disease or surgery. Our rehabilitation team includes rehabilitation physicians and nurses; physical, occupational and speech therapists; registered dietitians; psychologists; social workers and chaplains.

Fairview–University Transitional Services: Rehabilitation in a post-hospital setting for complex medical, neurological and orthopedic conditions helps to bridge the gap between acute medical services and independent living, home health care or nursing home placement.

Fairview Home Care and Hospice—Rehabilitation Services: Physical, occupational and speech therapists care for people who are unable to leave their homes and drive to a hospital or clinic for treatment. Fairview provides care for people who live in the Twin Cities metro area, including Princeton.

Fairview Multiple Sclerosis Achievement Center: Physical, occupational and recreational therapists, social workers and chaplains work with people who have severe multiple sclerosis (MS) to maintain or improve function and prevent complications. The center also provides support for people with MS and their families.

Ebenezer—Rehabilitation Services: Like Fairview-University Transitional Services, Ebenezer offers post-hospital rehabilitation to people at Ebenezer Ridges in Burnsville and Ebenezer Luther Hall in Minneapolis.



The Twin Cities Railroad Simulation Center provides evaluation and treatment of injured railroad workers. The work-site simulation center was developed at the request of the railroad industry and is the only one of its kind in Minnesota. It is a service of the Institute for Occupational Rehabilitation.

Rehabilitation in Outpatient Clinics

Physical, occupational and speech therapists, certified hand therapists, athletic trainers, chiropractors, massage therapists, orthotists and prosthetists see people of all ages in metro-area outpatient clinics.

Fairview Hand Center: Certified hand therapists provide rehabilitation to patients with problems affecting the hand, wrist and elbow.

Fairview Facial Paralysis Clinic: Physical therapists work with speech-language pathologists to provide specialized rehabilitation for people with facial paralysis as a result of conditions that include Bell's palsy, acoustic neuroma, cancer and stroke.

Fairview Orthopedic Laboratories: Orthotists and prosthetists design, fabricate and fit orthotics and artificial limbs for people of all ages using computer-aided design and manufacturing technology. We specialize in post-surgical and scoliosis bracing.

Fairview Riverside Spine and Orthopedic Physical Therapy: Physical therapists provide specialized care for people with spine- and orthopedic-related conditions, including post-surgical spine care, scoliosis and arthritis.

Fairview Voice Center: Speech-language pathologists and voice educator specialists join ear-nose-and-throat physicians to provide voice rehabilitation and education.

Fairview HealthWise Center: Physical therapists, chiropractors and massage therapists specialize in hands-on therapies to restore posture and well being, and to reduce pain. Educational programs for large and small groups include nutrition, stress management, Feldenkrais® movement therapy, and other health-related topics. Fairview HealthWise Center is located in The Loft at Lunds Uptown, in Minneapolis.

Institute for Athletic Medicine (IAM): Physical therapists, chiropractors, athletic trainers and massage therapists provide orthopedic and sports rehabilitation. IAM offers specialized services for the unique health needs of women, runners, golfers, performance artists, throwers, and people who have low-back pain and facial paralysis. The Institute is the largest outpatient physical therapy clinic in the Midwest. It is a service of Fairview and North Memorial.

INSTITUTE® FOR ATHLETIC MEDICINE
A service of Fairview and North Memorial

Institute for Occupational Rehabilitation: Physical and occupational therapists specialize in rehabilitation for people with work-related injuries. Programs include work hardening, work conditioning, functional capacity assessments, ergonomic job-site assessments, and the Twin Cities Railroad Simulation Center.

Tamarack: Tamarack is a premier provider of custom-seating and wheeled mobility systems, and orthotics and prosthetics. Our team specializes in children and young adults and is part of Fairview Orthopedic Laboratories.

University Orthopaedics—Rehabilitation: Physical therapists and hand therapists work with physicians to provide rehabilitation for orthopedic and occupation-related conditions.

For more information about Fairview Rehabilitation Services, call Fairview HealthWise at 612-672-7272 or 1-800-824-1953, or visit www.fairview.org

FAIRVIEW
Fairview Rehabilitation Services
Administrative Offices
7201 Washington Ave. S.
Edina, MN 55439
952-944-6659

Maple Grove Tri-Care Partnership

Three leading health care systems partnering to create one extraordinary hospital in Maple Grove.

Senate Health and Human Services Budget Division
Chair, Sen. Linda Berglin
April 13, 2005

Clarke Smith, M.D., Children's Hospitals and Clinics of Minnesota
Rickie Ressler, Allina Hospitals & Clinics
David Wessner, Park Nicollet Health Services
Susan Tabor, BSN, Director of Behavioral Health, United Hospital

Maple Grove TRI-CARE partnership

Park Nicollet | Children's | ALLINA

Discussion Points

- What Do Area Residents Want?
- The Proposal
- The Site
- The Partnership
  - *Distinct Advantages*
- Compare Proposals

Maple Grove TRI-CARE partnership

Park Nicollet | Children's | ALLINA

What Do Area Residents Want?

Recent public opinion survey of NW Metro Area residents:

Residents overwhelmingly support a new hospital.

- ***By a margin of 82%-13%, residents believe that a new hospital will be needed***
- ***93% of residents believe it will be needed within five years***

Metro Group TRI-CARE partnership

Park Nicollet Children's ALLINA

What Do Area Residents Want?

Residents view the partnership between Park Nicollet, Allina and Children's Hospital as the best proposal.

- ***37% believe the Tri-Care Partnership is the best***
- ***21% support North Memorial***
- ***Only 3% for Fairview***

Metro Group TRI-CARE partnership

Park Nicollet Children's ALLINA

What Do Area Residents Want?

Most important attributes of a new hospital:

- ***My health insurance covers services (80%)***
- ***Provides specialized treatment and diagnostic services (70%)***
- ***Ability to refer patients to the largest number of specialized physicians in the Twin Cities (67%)***

Not very important:

- ***Already operates a community hospital in this area (22%);***
- ***amenities, such as retail stores or office space (3%)***

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

The Proposal: A Full Hospital Within 3 Years

Phase I (2006-2008):

80-bed hospital and comprehensive outpatient services anchoring a 96-acre healthcare campus

- ***Emergency and urgent care services***
- ***Inpatient and outpatient surgery***
- ***Pediatric care***
- ***12 bed child/adolescent behavioral health unit***
- ***Obstetrical care***
- ***Non-invasive cardiology***
- ***Radiation and chemotherapy***

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

The Proposal: Future Plans

Phase II (2008-2012)

- ***40-50 bed hospital expansion***
- ***Additional healthcare resources (e.g. assisted living facility, wellness center, eating disorders institute, etc.)***

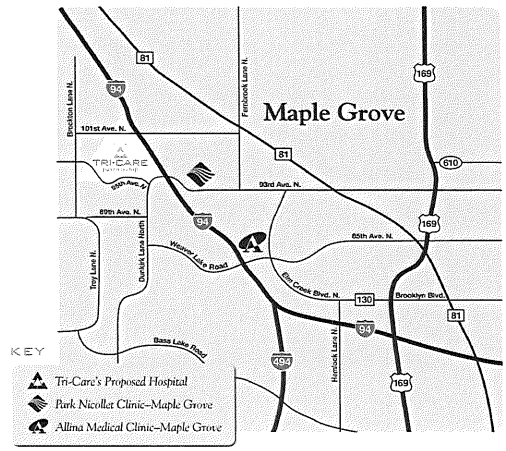
Phase III (2012 and beyond)

- ***Up to 250 beds, based on community need***

Maple Grove TRI-CARE partnership

Park Nicollet | Children's | ALLINA

The Site: A Superior Location

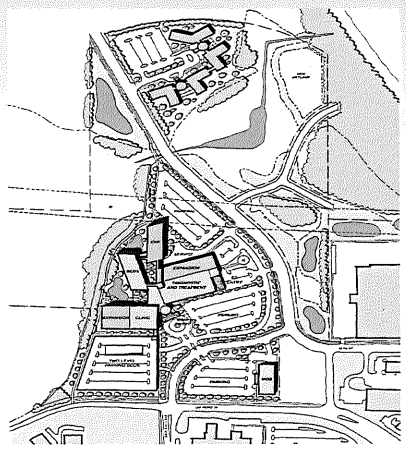


- **Convenient access from I-94**
- **On Dunkirk Lane and 97th Av. N.**
- **Accessible now**

Maple Grove TRI-CARE partnership

Park Nicollet | Children's | ALLINA

The Site: A Superior Location



- **62 useable acres**
- **Can accommodate significant future growth in hospital and related services**
- **Preserves 34-acres of wetlands as community amenity**
- **Provides restful healing environment**

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

The Tri-Care Partnership

Park Nicollet Health Services

- *Park Nicollet Clinic, Methodist Hospital, Co-owner - St. Francis Regional Medical Center. Clinics in Maple Grove, Plymouth, and Brooklyn Center.*

Children's Hospitals and Clinics of Minnesota

- *Largest pediatric organization in Midwest, 8th largest in U.S. Family-centered care model. Full-range of pediatric specialty services, critical care and clinics.*

Allina Hospitals & Clinics

- *11 hospitals, 65 clinics, including Abbott Northwestern, Mercy & Unity and Buffalo hospitals. Co-owner - St. Francis Regional Medical Center; Clinics in Maple Grove, Buffalo, Champlin, Coon Rapids, Elk River, Plymouth and Ramsey.*

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

Why a partnership?

Three times the experience

- *This is the only proposal that brings the strength of a partnership to this community.*

Access to the most specialists

- *Residents will have unparalleled access to specialists, including pediatric specialists.*

A hospital for all residents

- *Our hospital will be open to residents, regardless of health plan or primary physician's health system affiliation.*

The community knows us, we the community

- *With 7 clinics in the service area and a 30-year history, we know this community and residents know us.*

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

Why a partnership?

- **Attract and develop a large and diverse medical staff**
- **Provide choice of programs (heart, cancer) to the community**
  - *while sharing key capital intensive resources (beds, imaging, labs)*
- **Bring needed experience to a new hospital**
  - *Family centered competencies of Children's*
  - *Hospital management depth of Allina*
  - *Lean production of Park Nicollet*
  - *Experience in implementing EMR and physician order entry*

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

Why a partnership?

- **Equity sharing keeps services in the hospital**
  - *instead of fragmenting into a myriad of duplicative services*
- **Brings all the resources needed to meet growing community needs**
  - *without consuming all available capital*
- **High volume and efficiency with low capital expenditure**
  - *creates low cost/high value health care*
- **St. Francis is proof of the concept**
  - *Top 100 Hospital in 2004*
  - *Top 1%ile of hospitals under 100 beds nationally*

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

Solucient Top 100 Hospital Criteria

- *Risk-adjusted mortality index*
- *Risk-adjusted complications index*
- *Risk-adjusted patient safety index*
- *Severity-adjusted average length of stay*
- *Expense per adjusted discharge, case mix- and wage-adjusted*
- *Profitability (operating profit margin)*
- *Cash to total debt ratio*
- *Tangible assets (net PPE) per adjusted discharge*
- *Growth in percent community served*

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

Tri-Care Partnership:
Behavioral Health Services Collaboration

Continuum of Care

Proposed Programs	Program Description
12 Bed Child/Adolescent In-patient Unit Ages 6-18	Acute in-patient unit with emphasis on stabilization of acute psychiatric crisis. Physical plant design to offer moving and locking hallway door to allow for flexibility and physical separation by age based on need. In-hospital education to be provided by MGO School district.
24/7 Crisis Evaluation, Initial Stabilization, and Referral Services, all ages (A & R) located in or adjacent to E.D.	Mental health and/or substance abuse crisis service. Evaluate, stabilize, and determine placement. If admitted at Maple Grove hospital, process admission.
23 Hr Observation Unit	Distinct (separate) unit designed to provide initial treatment and observation not to exceed 23.59 hours. Patients either discharged or admitted to inpatient program.
Child and Adolescent Partial Hospital Program, Ages 6 -18	Alternative to in-patient care and combined with education component.
Psychiatric Out-Patient Clinic, All ages, possibly with Intensive Out-patient Therapy program.	Monday through Friday clinic model approach.
Out-patient Chemical Dependency treatment Program, Ages 16+	Primary & Relapse Treatment. Could also be offered as an "after school program".

Maple Grove TRI-CARE partnership

Park Nicollet · Children's · ALLINA

COMPARE PROPOSALS	MAPLE GROVE TRI-CARE PARTNERSHIP	FAIRVIEW HEALTH SERVICES	NORTH MEMORIAL
Proposer(s)/Partnerships	TRI-CARE a partnership of: Park Nicollet Allina Children's	Fairview alone	North Memorial alone
Full Service Hospital	Yes	Yes	Yes
Hospital Open	2008	Phased-in over time	Phased-in over time
Site Access	Convenient access off I-94	Access off Cty. 81/ Fernbrook Lane	Depends on Dunkirk Extension
Most Physician Affiliations	✓		
Access to Most Specialty Physicians	✓		
Access to Most Specialized Pediatric Care	✓		
Community Preference *Recent community survey asked, "Which proposal do you most support?"*	✓ 37%	3%	21%

COMPARE EXPERIENCE	MAPLE GROVE TRI-CARE PARTNERSHIP	FAIRVIEW HEALTH SERVICES	NORTH MEMORIAL
Metro Hospitals	10	3	1
Patients Served* *Combined acute inpatient admissions (2003)*	137,300	65,667	27,768
Physician Affiliations*	6,778	3,265	884
RNs**	4,878	2,190	820
Community Experience *Number of owned primary care clinics in NW suburbs*	7	1	3
Affiliated Hospital Usage by NW Metro Residents**	45%	11%	30%

* *Book of Lists, Twin Cities Business Journal, 2005*
** *Minnesota Hospital Association*

Maple Grove TRI-CARE partnership

Park Nicollet · Children's · ALLINA

Tri-Care Partnership: Summary / Q and A

- We're committed to this community – providing care in the community today
- Maple Grove and Northwest metro area residents want a choice of the best services available
- The Tri-Care Partnership has distinct advantages for the community and region
- Our proposal will give area residents access to the most specialists and physicians, while leveraging critical capital intensive assets in a cost effective manner
- Questions

Maple Grove TRI-CARE partnership

Park Nicollet Children's ALLINA

A bill for an act

relating to human services; exempting certain refugees and asylees from participating in the diversionary work program; amending Minnesota Statutes 2004, section 256J.95, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 256J.95, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR DIVERSIONARY WORK PROGRAM.] (a) Except for the categories of family units listed below, all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units that are not eligible for the diversionary work program include:

(1) child only cases;

(2) a single-parent family unit that includes a child under 12 weeks of age. A parent is eligible for this exception once in a parent's lifetime and is not eligible if the parent has already used the previously allowed child under age one exemption from MFIP employment services;

(3) a minor parent without a high school diploma or its equivalent;

(4) an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan

with an education option;

(5) a caregiver age 60 or over;

(6) family units with a caregiver who received DWP benefits in the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);

(7) family units with a caregiver who received MFIP within the 12 months prior to the month the family unit applied for DWP;

(8) a family unit with a caregiver who received 60 or more months of TANF assistance; and

(9) a family unit with a caregiver who is disqualified from DWP or MFIP due to fraud.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), (8), or (9).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

(d) Newly arrived refugees and asylees as defined in Code of Federal Regulations, title 45, chapter IV, section 400.2, who have arrived in the United States within the last two months shall be exempt from mandatory participation in the diversionary work program and may enroll directly into the MFIP program.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Lutheran Social Service
for changing lives

Office of Public Policy & Advocacy

Exempting Newly Arrived Refugees from Mandatory Participation in the Diversionary Work Program (DWP)

SF 1520 Dille, Moua
HF 793 Thao, Abeler

All MN Resettlement Agencies support:
Catholic Charities
International Institute
Jewish Family Services
Jewish Family & Children's Services
Lutheran Social Service
Minnesota Council of Churches
World Relief
Also in support:
Jewish Community Relations Council

Background

- 5,800 refugees are expected in 2004-2005 – In the 5 years prior to 9/11 Minnesota welcomed 2,000 annually.
- DWP was enacted while post 9/11 immigration restrictions were still in place and thus refugee-specific issues were not brought forward.

DWP pilot program in Dakota County, on which the state DWP is based, allowed for the exemption of limited English speakers.

Exempting Newly Arrived Refugees from Mandatory Participation in DWP would:

- Allow for more efficient transitions when services are provided by one agency
- Make for the most effective transitions to settled housing and employment
- Apply to approximately 2,000 individuals (estimating that half of refugees will be families, and therefore eligible for MFIP, and parents will make up half of family unit).

How are Refugees Different from other DWP Participants?

Federal rules that help new refugees and provide for public health safety take time
All adult refugees must work on specific self-sufficiency activities:

- Apply for Social Security card (customarily takes 6 weeks to receive)
- Schedule and take medical exams and health screenings, get immunizations
- Participate in cultural orientations
- Enroll children in school
- Following assessment, establish an employment plan to become self-sufficient.

Refugees receive a ONE time cash grant of $400 for household essentials upon arrival in Minnesota. Refugees pay all taxes that any other Minnesotan pays.

- Many refugees arrive in Minnesota with little more than a suitcase.
- The one time Federal assistance grant of $400.00 is provided to assist with refugees with their immediate needs upon arrival.
- Many stay with relatives during the first few months so they never receive the financial assistance DWP provides. DWP only provides vendor payments - for housing and utilities.
- MFIP provides the same assistance amount, only in the form of cash instead of a voucher, which allows the newly refugee more flexibility to purchase items that are needed to become self-sufficient (work clothes, shoes, tools, basic household items, etc).

2004 Experience Applying DWP to Refugees

as of November 2004

- **Ramsey Co:** 130 participants **no jobs found**

as of March 2004

- **Hennepin Co:** 233 participants **35 found jobs**

Fewer Employers are Willing to Hire Newly Arrived Refugees with Limited English Skills

- Resettlement agencies report having increased difficulty placing refugees in jobs because they are competing with applicants who speak English more proficiently, are familiar with US employment expectations and have work experience in the US, and are able to pass tests that some employers require.

DWP Duplicates the Work of the Matching Grant Program—in existence for 25 years

The "Matching Grant" Program is a public-private partnership program that diverts the most "work ready" refugees from public assistance into job search–

- Uses Federal funds matched by private donor and refugee contributions
- Operates as a 4 month diversionary program
- Allows the resettlement agencies to find employment for those that are most employable.
  - Achieves success with 70-75% of work ready refugees
  - The remaining refugees have multiple language and cultural barriers to work and are least likely to succeed in a DWP plan.
- LSS expects to serve 130 refugees through Matching Grant in 2004-2005)

Kate Maher, Policy Analyst and Liaison, Office of Public Policy and Advocacy kmaher@lssmn.org
Lutheran Social Service of Minnesota www.lssmn.org/advocate

Preliminary

Fiscal Note – 2005-06 Session

Bill #: S1520-1E **Complete Date:**

Chief Author: ~~BERGLIN, LINDA~~ DILLE

Title: MFIP DIVERSIONARY WORK PRGM PARTIC

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	0	167	134	134	134
Less Agency Can Absorb					
General Fund	0	4	0	0	0
Net Expenditures					
General Fund	0	163	134	134	134
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund	0	163	134	134	134
Total Cost <Savings> to the State	0	163	134	134	134

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Preliminary

Narrative: SF 1520-1E

Bill Description

This bill would require that newly arrived refugee and asylee families, as defined under federal regulations, who have arrived in the United States within the last two months be exempt from participating in the diversionary work program (DWP). These families would be referred directly into the Minnesota Family Investment Program (MFIP) when they apply for cash assistance and meet MFIP eligibility requirements.

Current law requires that unless other conditions are met the refugee/asylee family receive 4 months of DWP before receiving MFIP.

Assumptions

See attached

Expenditure and/or Revenue Formula

See attached

Administrative costs for this bill include systems costs for programming changes. The total cost is estimated at $7,720, 55% of which is the state general fund share of $4,246. These costs would be absorbed by the department.

Long-term Fiscal Considerations

None

Local Government Costs

None

References/Sources

Shawn Welch,
Reports & Forecasts Division
MN Dept of Human Services
651.282.3932

```
        Minnesota
MINNESOTA FAMILY INVESTMENT PROGRAM
Fiscal Analysis of Senate File 1520-1A
---------------------------------

Current law requires that refugee and asylee cases are placed in the
diversionary work program (DWP) unless an exclusion category is met.
This bill exempts certain refugees and asylees from DWP, meaning that
newly arrived refugees and asylees would be placed directly into MFIP
upon an initial eligibility determination.

The fiscal impact per case is the difference between the monthly DWP
cash grant and the MFIP cash standard.  Based on department data,
the average family size for DWP refugee cases is about 4.4 people
and the average monthly DWP cash grant for these cases is about
$600/month.  Using a weighted average, the monthly MFIP cash
standard for a family of 4.4 people would be about $650/month.  Based
on historical data and State Department projections of refugee
resettlements to Minnesota, approximately 220 average monthly
refugee families are projected to receive DWP under current law.
This number is higher in FY2006 due to the remaining Hmong refugees
from the Wat Tham Krabok camp in Thailand who have been assured
resettlement into Minnesota.  Finally, it assumed that these refugee
cases would not use subsidized child care in their first four months on
assistance, implying no child care fiscal effects.

The effective date is July 1, 2005.

                                FY2006      FY2007      FY2008      FY2009
                               -------     -------     -------     -------
```

Preliminary

Avg monthly refugee DWP cases	269	221	221	221
Avg monthly difference between MFIP cash grant and DWP cash grant	$50	$50	$50	$50
Months	12	12	12	12
Total Cost	$162,679	$133,734	$133,734	$133,734

A bill for an act relating to human services; establishing the work participation rate enhancement program; amending Minnesota Statutes 2004, sections 119B.011, by adding a subdivision; 119B.05, subdivision 1; 256J.021; 256J.08, subdivision 65; 256J.521, subdivision 1; 256J.626, subdivisions 1, 2, 3, 4, 7; proposing coding for new law in Minnesota Statutes, chapter 256J.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 119B.011, is amended by adding a subdivision to read:

Subd. 23. [WORK PARTICIPATION RATE ENHANCEMENT PROGRAM.] "Work participation rate enhancement program" means the program established under section 256J.575.

Sec. 2. Minnesota Statutes 2004, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE PARTICIPANTS.] Families eligible for child care assistance under the MFIP child care program are:

(1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;

(2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;

(4) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

(5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;

(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

(7) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2; and

~~(7)~~ (8) families who are participating in the transition year extension under section 119B.011, subdivision 20a.

Sec. 3. Minnesota Statutes 2004, section 256J.021, is amended to read:

256J.021 [SEPARATE STATE ~~PROGRAM~~ PROGRAMS FOR USE OF STATE MONEY.]

(a) Beginning October 1, 2001, and each year thereafter, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5.

(b) Beginning October 1, 2005, and each year thereafter, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a household participating in the work participation rate enhancement program under section 256J.575 as expenditures under a separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5.

Sec. 4. Minnesota Statutes 2004, section 256J.08, subdivision 65, is amended to read:

Subd. 65. [PARTICIPANT.] "Participant" means a person who is currently receiving cash assistance or the food portion available through MFIP. A person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food assistance electronically issued for that payment month within that payment month, or who returns any

uncashed assistance check and food coupons and withdraws from the program is not a participant. A person who withdraws a cash or food assistance payment by electronic transfer or receives and cashes an MFIP assistance check or food coupons and is subsequently determined to be ineligible for assistance for that period of time is a participant, regardless whether that assistance is repaid. The term "participant" includes the caregiver relative and the minor child whose needs are included in the assistance payment. A person in an assistance unit who does not receive a cash and food assistance payment because the case has been suspended from MFIP is a participant. A person who receives cash payments under the diversionary work program under section 256J.95 is a participant. A person who receives cash payments under the work participation rate enhancement program under section 256J.575 is a participant.

Sec. 5. Minnesota Statutes 2004, section 256J.521, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENTS.] (a) For purposes of MFIP employment services, assessment is a continuing process of gathering information related to employability for the purpose of identifying both participant's strengths and strategies for coping with issues that interfere with employment. The job counselor must use information from the assessment process to develop and update the employment plan under subdivision 2 or 3, as appropriate, and to determine whether the participant qualifies for a family violence waiver including an employment plan under subdivision 3, and to determine whether the participant should be referred to the work participation rate enhancement program under section 256J.575.

(b) The scope of assessment must cover at least the following areas:

(1) basic information about the participant's ability to obtain and retain employment, including: a review of the participant's education level; interests, skills, and abilities; prior employment or work experience; transferable work skills; child care and transportation needs;

(2) identification of personal and family circumstances that impact the participant's ability to obtain and retain employment, including: any special needs of the children, the level of English proficiency, family violence issues, and any involvement with social services or the legal system;

(3) the results of a mental and chemical health screening tool designed by the commissioner and results of the brief screening tool for special learning needs. Screening tools for mental and chemical health and special learning needs must be approved by the commissioner and may only be administered by job counselors or county staff trained in using such screening tools. The commissioner shall work with county agencies to develop protocols for referrals and follow-up actions after screens are administered to participants, including guidance on how employment plans may be modified based upon outcomes of certain screens. Participants must be told of the purpose of the screens and how the information will be used to assist the participant in identifying and overcoming barriers to employment. Screening for mental and chemical health and special learning needs must be completed by participants who are unable to find suitable employment after six weeks of job search under subdivision 2, paragraph (b), and participants who are determined to have barriers to employment under subdivision 2, paragraph (d). Failure to complete the screens will result in sanction under section 256J.46; and

(4) a comprehensive review of participation and progress for participants who have received MFIP assistance and have not worked in unsubsidized employment during the past 12 months. The purpose of the review is to determine the need for additional services and supports, including placement in subsidized employment or unpaid work experience under section 256J.49, subdivision 13, or referral to the work participation rate enhancement program under section 256J.575.

(c) Information gathered during a caregiver's participation in the diversionary work program under section 256J.95 must be incorporated into the assessment process.

(d) The job counselor may require the participant to complete a professional chemical use assessment to be performed according to the rules adopted under section 254A.03, subdivision 3, including provisions in the administrative rules which recognize the cultural background of the participant, or a professional psychological assessment as a component of the assessment process, when the job counselor has a reasonable belief, based on objective evidence, that a participant's ability to obtain and retain suitable employment is impaired by a medical condition. The job counselor may assist the participant with arranging services, including child care assistance and transportation, necessary to meet needs identified by the assessment. Data gathered as part of a professional assessment must be classified and disclosed according to the provisions in section 13.46.

Sec. 6. [256J.575] [WORK PARTICIPATION RATE ENHANCEMENT PROGRAM.]

Subdivision 1. [PURPOSE.] (a) The work participation rate enhancement program (WORK PREP) is Minnesota's TANF program to serve families who are not making significant progress within MFIP due to a variety of barriers to employment.

(b) The goal of this program is to stabilize and improve the lives of families at risk of long-term welfare dependency or family instability due to employment barriers such as physical disability, mental disability, age, and caring for a disabled household member. WORK PREP provides services to promote and support families to achieve the greatest possible degree of self-sufficiency. Counties may provide supportive and other allowable services funded by the MFIP consolidated fund under section 256J.626 to eligible participants.

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in paragraphs (a) to (d).

(a) The "work participation rate enhancement program" means the program established under this section.

(b) "Case management" means the services provided by or through the county agency to participating families, including

assessment, information, referrals, and assistance in the preparation and implementation of a family stabilization plan under subdivision 5.

(c) "Family stabilization plan" means a plan developed by a case manager and the participant, which identifies the participant's most appropriate path to unsubsidized employment, family stability, and barrier reduction, taking into account the family's circumstances.

(d) "Family stabilization services" means programs, activities, and services in this section that provide participants and their family members with assistance regarding, but not limited to:

(1) obtaining and retaining unsubsidized employment;

(2) family stability;

(3) economic stability; and

(4) barrier reduction.

The goal of the program is to achieve the greatest degree of economic self-sufficiency and family well-being possible for the family under the circumstances.

Subd. 3. [ELIGIBILITY.] (a) The following MFIP or DWP participants are eligible for the program under this section:

(1) a participant identified under section 256J.561, subdivision 2, paragraph (d), who has or is eligible for an employment plan developed under section 256J.521, subdivision 2, paragraph (c);

(2) a participant identified under section 256J.95, subdivision 12, paragraph (b), as unlikely to benefit from the diversionary work program;

(3) a participant who meets the requirements for or has been granted a hardship extension under section 256J.425, subdivision 2 or 3; and

(4) a participant who is applying for supplemental security income or Social Security disability insurance.

(b) Families must meet all other eligibility requirements for MFIP established in this chapter. Families are eligible for financial assistance to the same extent as if they were

participating in MFIP.

Subd. 4. [UNIVERSAL PARTICIPATION.] All caregivers must participate in family stabilization services as defined in subdivision 2.

Subd. 5. [CASE MANAGEMENT; FAMILY STABILIZATION PLANS; COORDINATED SERVICES.] (a) The county agency shall provide family stabilization services to families through a case management model. A case manager shall be assigned to each participating family within 30 days after the family begins to receive financial assistance as a participant of the work participation rate enhancement program. The case manager, with the full involvement of the family, shall recommend, and the county agency shall establish and modify as necessary, a family stabilization plan for each participating family.

(b) The family stabilization plan shall include:

(1) each participant's plan for long-term self-sufficiency, including an employment goal where applicable;

(2) an assessment of each participant's strengths and barriers, and any special circumstances of the participant's family that impact, or are likely to impact, the participant's progress towards the goals in the plan; and

(3) an identification of the services, supports, education, training, and accommodations needed to overcome any barriers to enable the family to achieve self-sufficiency and to fulfill each caregiver's personal and family responsibilities.

(c) The case manager and the participant must meet within 30 days of the family's referral to the case manager. The initial family stabilization plan shall be completed within 30 days of the first meeting with the case manager. The case manager shall establish a schedule for periodic review of the family stabilization plan that includes personal contact with the participant at least once per month. In addition, the case manager shall review and modify if necessary the plan under the following circumstances:

(1) there is a lack of satisfactory progress in achieving the goals of the plan;

(2) the participant has lost unsubsidized or subsidized employment;

(3) a family member has failed to comply with a family stabilization plan requirement;

(4) services required by the plan are unavailable; or

(5) changes to the plan are needed to promote the well-being of the children.

(d) Family stabilization plans under this section shall be written for a period of time not to exceed six months.

Subd. 6. [COOPERATION WITH PROGRAM REQUIREMENTS.] (a) To be eligible, a participant must comply with paragraphs (b) to (f).

(b) Participants shall engage in family stabilization plan activities listed in clause (1) or (2) for the number of hours per week that the activities are scheduled and available, unless good cause exists for not doing so, as defined in section 256J.57, subdivision 1:

(1) in single-parent families with no children under six years of age, the case manager and the participant must develop a family stabilization plan that includes 30 to 35 hours per week of activities; and

(2) in single-parent families with a child under six years of age, the case manager and the participant must develop a family stabilization plan that includes 20 to 35 hours per week of activities.

(c) The case manager shall review the participant's progress toward the goals in the family stabilization plan every six months to determine whether conditions have changed, including whether revisions to the plan are needed.

(d) When the participant has increased participation in work-related activities sufficient to meet the federal participation requirements of TANF, the county agency shall refer the participant to the MFIP program and assign the participant to a job counselor. The participant and the job counselor must meet within 15 days of referral to MFIP to develop an employment plan under section 256J.521. No

reapplication is necessary and financial assistance shall continue without interruption.

(e) Participants who have not increased their participation in work activities sufficient to meet the federal participation requirements of TANF may request a referral to the MFIP program and assignment to a job counselor after 12 months in the program.

(f) A participant's requirement to comply with any or all family stabilization plan requirements under this subdivision shall be excused when the case management services, training and educational services, and family support services identified in the participant's family stabilization plan are unavailable for reasons beyond the control of the participant, including when money appropriated is not sufficient to provide the services.

Subd. 7. [SANCTIONS.] (a) The financial assistance grant of a participating family shall be reduced, according to section 256J.46, if a participating adult fails without good cause to comply or continue to comply with the family stabilization plan requirements in this subdivision, unless compliance has been excused under subdivision 6, paragraph (f).

(b) Given the purpose of the work participation rate enhancement program in this section and the nature of the underlying family circumstances that act as barriers to both employment full compliance with program requirements. Sanctions are appropriate only when it is clear that there is both ability to comply and willful noncompliance on the part of the participant.

(c) Prior to the imposition of a sanction, the county agency must review the participant's case to determine if the family stabilization plan is still appropriate and meet with the participants face-to-face. The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must send the participant a written notice that includes the information required under clause (1):

(1) during the face-to-face meeting, the county agency must:

(i) determine whether the continued noncompliance can be

explained and mitigated by providing a needed family stabilization service, as defined in section 256J.575, subdivision 2, paragraph (d);

(ii) determine whether the participant qualifies for a good cause exception under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(iii) determine whether activities in the family stabilization plan are appropriate based on the family's circumstances;

(iv) explain the consequences of continuing noncompliance;

(v) identify other resources that may be available to the participant to meet the needs of the family; and

(vi) inform the participant of the right to appeal under section 256J.40; and

(2) if the lack of an identified activity or service can explain the noncompliance, the county must work with the participant to provide the identified activity.

(d) After the requirements of paragraph (c) are met and prior to imposition of a sanction, the county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided in section 256J.31.

(e) Section 256J.57 applies to this section except to the extent that it is modified by this subdivision.

Sec. 7. [256J.621] [WORK PARTICIPATION BONUS.]

Upon exiting the diversionary work program (DWP) or upon terminating MFIP cash assistance with earnings, a participant shall be eligible for a work participation bonus of $75 per month to assist the household in meeting work-related expenses, including child care, transportation, and clothing, as the participant continues to move toward self-sufficiency. A participant is eligible for the work participation bonus if the participant is employed and working at least 24 hours a week when the MFIP case is closed. The participant will receive the

work participation bonus in any month that the participant is employed an average of 24 hours per week, for a maximum of 12 months upon exiting DWP or MFIP. The commissioner shall establish policies and forms for verifying the level of employment necessary to qualify for the work participation bonus.

Sec. 8. Minnesota Statutes 2004, section 256J.626, subdivision 1, is amended to read:

Subdivision 1. [CONSOLIDATED FUND.] The consolidated fund is established to support counties and tribes in meeting their duties under this chapter. Counties and tribes must use funds from the consolidated fund to develop programs and services that are designed to improve participant outcomes as measured in section 256J.751, subdivision 2, and to provide case management services to participants of the work participation rate enhancement program. Counties may use the funds for any allowable expenditures under subdivision 2. Tribes may use the funds for any allowable expenditures under subdivision 2, except those in clauses (1) and (6).

Sec. 9. Minnesota Statutes 2004, section 256J.626, subdivision 2, is amended to read:

Subd. 2. [ALLOWABLE EXPENDITURES.] (a) The commissioner must restrict expenditures under the consolidated fund to benefits and services allowed under title IV-A of the federal Social Security Act. Allowable expenditures under the consolidated fund may include, but are not limited to:

(1) short-term, nonrecurring shelter and utility needs that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31, for families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under this subdivision are not considered TANF cash assistance and are not counted towards the 60-month time limit;

(2) transportation needed to obtain or retain employment or to participate in other approved work activities or activities under a family stabilization plan;

(3) direct and administrative costs of staff to deliver

employment services for MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program; to administer financial assistance~~,~~; and to provide specialized services intended to assist hard-to-employ participants to transition to work or transition from the work participation rate enhancement program to MFIP;

(4) costs of education and training including functional work literacy and English as a second language;

(5) cost of work supports including tools, clothing, boots, and other work-related expenses;

(6) county administrative expenses as defined in Code of Federal Regulations, title 45, section 260(b);

(7) services to parenting and pregnant teens;

(8) supported work;

(9) wage subsidies;

(10) child care needed for MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program participants to participate in social services;

(11) child care to ensure that families leaving MFIP or diversionary work program will continue to receive child care assistance from the time the family no longer qualifies for transition year child care until an opening occurs under the basic sliding fee child care program; ~~and~~

(12) services to help noncustodial parents who live in Minnesota and have minor children receiving MFIP or DWP assistance, but do not live in the same household as the child, obtain or retain employment; and

(13) services to help families participating in the work participation rate enhancement program achieve the greatest possible degree of self-sufficiency.

(b) Administrative costs that are not matched with county funds as provided in subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this section. The commissioner shall define administrative costs for purposes of this subdivision.

Sec. 10. Minnesota Statutes 2004, section 256J.626,

subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR SERVICES.] Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program, and families at risk of receiving MFIP or diversionary work program.

Sec. 11. Minnesota Statutes 2004, section 256J.626, subdivision 4, is amended to read:

Subd. 4. [COUNTY AND TRIBAL BIENNIAL SERVICE AGREEMENTS.] (a) Effective January 1, 2004, and each two-year period thereafter, each county and tribe must have in place an approved biennial service agreement related to the services and programs in this chapter. In counties with a city of the first class with a population over 300,000, the county must consider a service agreement that includes a jointly developed plan for the delivery of employment services with the city. Counties may collaborate to develop multicounty, multitribal, or regional service agreements.

(b) The service agreements will be completed in a form prescribed by the commissioner. The agreement must include:

(1) a statement of the needs of the service population and strengths and resources in the community;

(2) numerical goals for participant outcomes measures to be accomplished during the biennial period. The commissioner may identify outcomes from section 256J.751, subdivision 2, as core outcomes for all counties and tribes;

(3) strategies the county or tribe will pursue to achieve the outcome targets. Strategies must include specification of how funds under this section will be used and may include community partnerships that will be established or strengthened; ~~and~~

(4) strategies the county or tribe will pursue under the

work participation rate enhancement program; and

(5) other items prescribed by the commissioner in consultation with counties and tribes.

(c) The commissioner shall provide each county and tribe with information needed to complete an agreement, including: (1) information on MFIP cases in the county or tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome measures; and (4) promising program practices.

(d) The service agreement must be submitted to the commissioner by October 15, 2003, and October 15 of each second year thereafter. The county or tribe must allow a period of not less than 30 days prior to the submission of the agreement to solicit comments from the public on the contents of the agreement.

(e) The commissioner must, within 60 days of receiving each county or tribal service agreement, inform the county or tribe if the service agreement is approved. If the service agreement is not approved, the commissioner must inform the county or tribe of any revisions needed prior to approval.

(f) The service agreement in this subdivision supersedes the plan requirements of section 116L.88.

Sec. 12. Minnesota Statutes 2004, section 256J.626, subdivision 7, is amended to read:

Subd. 7. [PERFORMANCE BASE FUNDS.] (a) Beginning calendar year 2005, each county and tribe will be allocated 95 100 percent of their initial calendar year allocation. Counties and tribes will be allocated additional funds from federal TANF bonus funds the state receives based on performance as follows:

(1) for calendar year 2005, a county or tribe that achieves a 30 percent rate or higher on the MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation ~~equal to 2.5 percent of its initial allocation~~ to be determined by the commissioner based upon available funds; and

(2) for calendar year 2006, a county or tribe that achieves

a 40 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation ~~equal to 2.5 percent of its initial allocation~~ to be determined by the commissioner based upon available funds; and

(3) for calendar year 2007, a county or tribe that achieves a 50 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation ~~equal to 2.5 percent of its initial allocation~~ to be determined by the commissioner based upon available funds; and

(4) for calendar year 2008 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation ~~equal to 2.5 percent of its initial allocation~~ to be determined by the commissioner based upon available funds; and

(5) for calendar years 2005 and thereafter, a county or tribe that performs above the top of its range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), in both measurements in the preceding year will receive an additional allocation ~~equal to five percent of its initial allocation~~ to be determined by the commissioner based upon available funds; or

(6) for calendar years 2005 and thereafter, a county or tribe that performs within its range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), in both measurements in the preceding year, or above the top of its range of expected performance in one measurement and within its expected range of performance in

the other measurement, will receive an additional allocation ~~equal to 2.5 percent of its initial allocation~~ to be determined by the commissioner based upon available funds.

(b) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

~~(c) (1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.~~

~~(2) If after the application of clause (1) funds remain insufficient to meet county and tribal allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).~~

Senators Berglin and Lourey introduced--

S.F. No. 1955: Referred to the Committee on Health and Family Security.

A bill for an act

relating to human services; establishing the work participation rate enhancement program; amending Minnesota Statutes 2004, sections 256J.021; 256J.08, subdivision 65; 256J.521, subdivision 1; 256J.53, subdivision 2; 256J.626, subdivisions 1, 2, 3, 4, 7; proposing coding for new law in Minnesota Statutes, chapter 256J.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 256J.021, is amended to read:

256J.021 [SEPARATE STATE ~~PROGRAM~~ PROGRAMS FOR USE OF STATE MONEY.]

(a) Beginning October 1, 2001, and each year thereafter, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5.

(b) Beginning October 1, 2005, and each year thereafter, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under

section 256J.12, and who is part of a household participating in the work participation rate enhancement program under section 256J.575 as expenditures under a separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5.

Sec. 2. Minnesota Statutes 2004, section 256J.08, subdivision 65, is amended to read:

Subd. 65. [PARTICIPANT.] "Participant" means a person who is currently receiving cash assistance or the food portion available through MFIP. A person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food assistance electronically issued for that payment month within that payment month, or who returns any uncashed assistance check and food coupons and withdraws from the program is not a participant. A person who withdraws a cash or food assistance payment by electronic transfer or receives and cashes an MFIP assistance check or food coupons and is subsequently determined to be ineligible for assistance for that period of time is a participant, regardless whether that assistance is repaid. The term "participant" includes the caregiver relative and the minor child whose needs are included in the assistance payment. A person in an assistance unit who does not receive a cash and food assistance payment because the case has been suspended from MFIP is a participant. A person who receives cash payments under the diversionary work program under section 256J.95 is a participant. A person who receives cash payments under the work participation rate enhancement program under section 256J.575 is a participant.

Sec. 3. Minnesota Statutes 2004, section 256J.521, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENTS.] (a) For purposes of MFIP employment services, assessment is a continuing process of gathering information related to employability for the purpose

of identifying both participant's strengths and strategies for coping with issues that interfere with employment. The job counselor must use information from the assessment process to develop and update the employment plan under subdivision 2 or 3, as appropriate, and to determine whether the participant qualifies for a family violence waiver including an employment plan under subdivision 3, and to determine whether the participant should be referred to the work participation rate enhancement program under section 256J.575.

(b) The scope of assessment must cover at least the following areas:

(1) basic information about the participant's ability to obtain and retain employment, including: a review of the participant's education level; interests, skills, and abilities; prior employment or work experience; transferable work skills; child care and transportation needs;

(2) identification of personal and family circumstances that impact the participant's ability to obtain and retain employment, including: any special needs of the children, the level of English proficiency, family violence issues, and any involvement with social services or the legal system;

(3) the results of a mental and chemical health screening tool designed by the commissioner and results of the brief screening tool for special learning needs. Screening tools for mental and chemical health and special learning needs must be approved by the commissioner and may only be administered by job counselors or county staff trained in using such screening tools. The commissioner shall work with county agencies to develop protocols for referrals and follow-up actions after screens are administered to participants, including guidance on how employment plans may be modified based upon outcomes of certain screens. Participants must be told of the purpose of the screens and how the information will be used to assist the participant in identifying and overcoming barriers to employment. Screening for mental and chemical health and special learning needs must be completed by participants who are

unable to find suitable employment after six weeks of job search under subdivision 2, paragraph (b), and participants who are determined to have barriers to employment under subdivision 2, paragraph (d). Failure to complete the screens will result in sanction under section 256J.46; and

(4) a comprehensive review of participation and progress for participants who have received MFIP assistance and have not worked in unsubsidized employment during the past 12 months. The purpose of the review is to determine the need for additional services and supports, including placement in subsidized employment or unpaid work experience under section 256J.49, subdivision 13.

(c) Information gathered during a caregiver's participation in the diversionary work program under section 256J.95 must be incorporated into the assessment process.

(d) The job counselor may require the participant to complete a professional chemical use assessment to be performed according to the rules adopted under section 254A.03, subdivision 3, including provisions in the administrative rules which recognize the cultural background of the participant, or a professional psychological assessment as a component of the assessment process, when the job counselor has a reasonable belief, based on objective evidence, that a participant's ability to obtain and retain suitable employment is impaired by a medical condition. The job counselor may assist the participant with arranging services, including child care assistance and transportation, necessary to meet needs identified by the assessment. Data gathered as part of a professional assessment must be classified and disclosed according to the provisions in section 13.46.

Sec. 4. Minnesota Statutes 2004, section 256J.53, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF POSTSECONDARY EDUCATION OR TRAINING.] (a) In order for a postsecondary education or training program to be an approved activity in an employment plan, the participant must be working in unsubsidized employment

at least ~~20~~ ten hours per week.

(b) Participants seeking approval of a postsecondary education or training plan must provide documentation that:

(1) the employment goal can only be met with the additional education or training;

(2) there are suitable employment opportunities that require the specific education or training in the area in which the participant resides or is willing to reside;

(3) the education or training will result in significantly higher wages for the participant than the participant could earn without the education or training;

(4) the participant can meet the requirements for admission into the program; and

(5) there is a reasonable expectation that the participant will complete the training program based on such factors as the participant's MFIP assessment, previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) The hourly unsubsidized employment requirement does not apply for intensive education or training programs lasting ~~12~~ 20 weeks or less when full-time attendance is required.

(d) Participants with an approved employment plan in place on July 1, 2003, which includes more than 12 months of postsecondary education or training shall be allowed to complete that plan provided that hourly requirements in section 256J.55, subdivision 1, and conditions specified in paragraph (b), and subdivisions 3 and 5 are met. A participant whose case is subsequently closed for three months or less for reasons other than noncompliance with program requirements and who returns to MFIP shall be allowed to complete that plan provided that hourly requirements in section 256J.55, subdivision 1, and conditions specified in paragraph (b) and subdivisions 3 and 5 are met.

Sec. 5. [256J.575] [WORK PARTICIPATION RATE ENHANCEMENT PROGRAM.]

Subdivision 1. [PURPOSE.] (a) The work participation rate enhancement program (WORK PREP) is Minnesota's TANF program to

serve families who are not making significant progress within MFIP due to a variety of barriers to employment.

(b) The goal of this program is to stabilize and improve the lives of families at risk of long-term welfare dependency or family instability due to employment barriers such as physical disability, mental disability, age, and caring for a disabled household member. WORK PREP provides services to promote and support families to achieve the greatest possible degree of self-sufficiency.

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in paragraphs (a) to (e).

(a) The "work participation rate enhancement program" means the program established under this section.

(b) "Barrier" means:

(1) any physical, emotional, or mental condition;

(2) any lack of educational, vocational, or other skill or ability;

(3) limited English proficiency;

(4) criminal records;

(5) alcohol or chemical dependency;

(6) a lack of transportation, child care, housing, medical assistance, or other services or resources;

(7) domestic violence circumstances;

(8) caregiver responsibilities; or

(9) other conditions or circumstances impacting the participant or participant's household members that prevent the participant from engaging in employment or other work activity.

(c) "Case management" means the services provided by or through the county agency to participating families, including assessment, information, referrals, and assistance in the preparation and implementation of a family stabilization plan under subdivision 5.

(d) "Family stabilization plan" means a plan developed by a case manager and the participant, which identifies the participant's most appropriate path to unsubsidized employment, family stability, and barrier reduction, taking into account the

family's circumstances.

(e) "Family stabilization services" means programs, activities, and services in this section that provide participants and their family members with assistance regarding, but not limited to:

(1) obtaining and retaining employment;

(2) job-seeking skills;

(3) job coach;

(4) family budgeting;

(5) nutrition;

(6) self-esteem;

(7) substance abuse;

(8) health and hygiene;

(9) child rearing;

(10) child education preparation; and

(11) goal setting with the goal of achieving the greatest degree of economic self-sufficiency and family well-being possible for the family under the circumstances.

Subd. 3. [ELIGIBILITY.] (a) The following MFIP or DWP participants are eligible for the program under this section:

(1) a participant who is 60 years of age or older;

(2) a caregiver under the age of 20;

(3) a participant with an employment plan developed under section 256J.521, subdivision 2, paragraph (c) or (d); or 3;

(4) a participant who has been diagnosed by a qualified professional as suffering from an illness or incapacity that is expected to last for 30 days or more, including a pregnant participant who is determined to be unable to obtain or retain employment due to the pregnancy;

(5) a participant who is determined by a qualified professional as being needed in the home to care for an ill or incapacitated family member;

(6) a participant who meets the requirements for or has been granted a hardship extension under section 256J.425, subdivision 2 or 3;

(7) a participant who is unable to work more than 24 hours

a week due to, but not limited to, any of the following:

(i) medical, family, or other personal circumstances, including mental or physical health problems;

(ii) domestic violence;

(iii) substance abuse;

(iv) severe vocational barriers, including, but not limited to, lack of proficiency in English, lack of a high school diploma, lack of past work experience, long-term unemployment, or a felony record;

(v) learning disabilities;

(vi) a lack of education;

(vii) homelessness; or

(viii) children's health or behavioral problems;

(8) a participant who is applying for supplemental security income or Social Security disability insurance; and

(9) a participant who is not making progress in MFIP or DWP as determined by the county agency or job counselor as part of the assessment or comprehensive review under section 256J.521, subdivision 1.

(b) Families must meet all other eligibility requirements for MFIP established in this chapter. Families are eligible for financial assistance to the same extent as if they were participating in MFIP.

(c) Section 256J.24, subdivision 6, does not apply to participants in this program.

Subd. 4. [UNIVERSAL PARTICIPATION.] All caregivers must participate in family stabilization services as defined in subdivision 2.

Subd. 5. [CASE MANAGEMENT; FAMILY STABILIZATION PLANS; COORDINATED SERVICES.] (a) The county agency shall provide all required and appropriate services to families through a case management model. A case manager shall be assigned to each participating family as soon as the family begins to receive financial assistance. The case manager, with the full involvement of the family, shall recommend, and the county agency shall establish and modify as necessary, a family

stabilization plan for each participating family.

(b) The family stabilization plan shall include:

(1) each participant's plan for long-term self-sufficiency, including an employment goal where applicable;

(2) an assessment of each participant's strengths and barriers, and any special circumstances of the participant's family that impact, or are likely to impact, the participant's progress towards the goals in the plan; and

(3) an identification of the services, supports, education, training, and accommodations needed to overcome any barriers to enable the family to achieve self-sufficiency and to fulfill each caregiver's personal and family responsibilities.

(c) The case manager and the participant must meet within 30 days of the family's referral to WORK PREP. The initial family stabilization plan shall be completed within 30 days of the first meeting with the case manager. The case manager shall establish a schedule for periodic review of the family stabilization plan that includes personal contact with the participant at least once per month. In addition, the case manager shall review and modify if necessary the plan under the following circumstances:

(1) there is a lack of satisfactory progress in achieving the goals of the plan;

(2) the participant has lost unsubsidized or subsidized employment;

(3) a family member has failed to comply with a family stabilization plan requirement or a work requirement;

(4) services required by the plan are unavailable;

(5) within 15 days of the date the participant started an unsubsidized or subsidized job; or

(6) changes to the plan are needed to promote the well-being of the children.

(d) The county agency shall establish, consistent with research on best practices, maximum caseloads for case managers.

(e) Family stabilization plans under this section shall be written for a period of time not to exceed six months.

Subd. 6. [COOPERATION WITH PROGRAM REQUIREMENTS.] (a) To be eligible, a participant must comply with paragraphs (b) to (h).

(b) Each participating adult shall begin to comply with family stabilization plan requirements as soon as possible, and no later than ten days following identification of initial requirements at the initial family stabilization plan meeting. Each participating adult shall continue to comply with the family stabilization plan requirements until the participant is able to comply with the employment plan requirements provided for MFIP participants under section 256J.521, subdivision 2 or 3, or until the participant is determined to be ineligible for or is no longer receiving financial assistance.

(c) Participants shall engage in family stabilization plan activities for the number of hours per week that the activities are scheduled and available, unless good cause exists for not doing so, as defined in section 256J.57, subdivision 1.

(d) The case manager shall review the participant's progress toward the goals in the family stabilization plan every three months to determine whether conditions have changed, including whether revisions to the plan are needed.

(e) When the participant has increased participation in work-related activities sufficient to meet the federal participation requirements of TANF, the county agency shall refer the participant to the MFIP program and assign the participant to a job counselor. The participant and the job counselor must meet within 15 days of referral to MFIP to develop an employment plan under section 256J.521. No reapplication is necessary and financial assistance shall continue without interruption.

(f) Participants who have not increased their participation in work activities sufficient to meet the federal participation requirements of TANF may request a referral to the MFIP program and assignment to a job counselor after 12 months in the program.

(g) Participants who are referred to MFIP under paragraph (e) or (f) may not be sanctioned for noncompliance with the MFIP

program requirements until they have first been offered the opportunity to be referred back to the program.

(h) A participant's requirement to comply with any or all family stabilization plan requirements under this subdivision shall be excused when the case management services, training and educational services, and family support services identified in the participant's family stabilization plan are unavailable for reasons beyond the control of the participant, including when money appropriated is not sufficient to provide the services.

Subd. 7. [SANCTIONS.] (a) The financial assistance grant of a participating family shall be reduced, according to section 256J.46, if a participating adult fails without good cause to comply or continue to comply with the family stabilization plan requirements in this subdivision, unless compliance has been excused under subdivision 6, paragraph (h).

(b) Given the purpose of the work participation rate enhancement program in this section, the nature of the underlying family circumstances that act as barriers to both employment and full compliance with program requirements, and the serious nature of sanctions and their negative effect on families, especially children, sanctions must be used only as a last resort. Sanctions are appropriate only when it is clear that there is both ability to comply and willful noncompliance on the part of the participant and after the case manager specifically determines that good cause does not exist that would excuse the noncompliance.

(c) Section 256J.57 applies to this section except to the extent that it is modified by this subdivision.

(d) Prior to the reduction in a family's financial assistance resulting from a sanction imposed under this subdivision, the county agency shall provide an independent review of the participant's circumstances and the basis for the participant's noncompliance.

Sec. 6. [256J.621] [WORK PARTICIPATION BONUS.]

Upon exiting the diversionary work program (DWP) or upon terminating MFIP cash assistance with earnings, a participant

may be eligible for a work participation bonus of $75 per month to assist the household in meeting work-related and household expenses as the family continues to move to economic self-sufficiency. A participant is eligible for the work participation bonus if:

(1) the participant is employed and working at least 24 hours a week when the MFIP case is closed;

(2) the participant sustains this level of employment for nine of the next 12 months; and

(3) the participant does not apply for assistance from DWP or MFIP during this period.

The work participation bonus is available for a maximum of 12 months upon exiting DWP or MFIP. The commissioner shall establish policies and forms for verifying the level of employment necessary to qualify for the work participation bonus.

Sec. 7. Minnesota Statutes 2004, section 256J.626, subdivision 1, is amended to read:

Subdivision 1. [CONSOLIDATED FUND.] The consolidated fund is established to support counties and tribes in meeting their duties under this chapter. Counties and tribes must use funds from the consolidated fund to develop programs and services that are designed to improve participant outcomes as measured in section 256J.751, subdivision 2, and to provide case management services to participants of the work participation rate enhancement program. Counties may use the funds for any allowable expenditures under subdivision 2. Tribes may use the funds for any allowable expenditures under subdivision 2, except those in clauses (1) and (6).

Sec. 8. Minnesota Statutes 2004, section 256J.626, subdivision 2, is amended to read:

Subd. 2. [ALLOWABLE EXPENDITURES.] (a) The commissioner must restrict expenditures under the consolidated fund to benefits and services allowed under title IV-A of the federal Social Security Act. Allowable expenditures under the consolidated fund may include, but are not limited to:

(1) short-term, nonrecurring shelter and utility needs that

are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31, for families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under this subdivision are not considered TANF cash assistance and are not counted towards the 60-month time limit;

(2) transportation needed to obtain or retain employment or to participate in other approved work activities or activities under a family stabilization plan;

(3) direct and administrative costs of staff to deliver employment services for MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program; to administer financial assistance~~,~~; and to provide specialized services intended to assist hard-to-employ participants to transition to work or transition from the work participation rate enhancement program to MFIP;

(4) costs of education and training including functional work literacy and English as a second language;

(5) cost of work supports including tools, clothing, boots, and other work-related expenses;

(6) county administrative expenses as defined in Code of Federal Regulations, title 45, section 260(b);

(7) services to parenting and pregnant teens;

(8) supported work;

(9) wage subsidies;

(10) child care needed for MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program participants to participate in social services;

(11) child care to ensure that families leaving MFIP or diversionary work program will continue to receive child care assistance from the time the family no longer qualifies for transition year child care until an opening occurs under the basic sliding fee child care program; ~~and~~

(12) services to help noncustodial parents who live in Minnesota and have minor children receiving MFIP or DWP assistance, but do not live in the same household as the child,

obtain or retain employment; and

(13) services to help families participating in the work participation rate enhancement program achieve the greatest possible degree of economic and emotional self-sufficiency.

(b) Administrative costs that are not matched with county funds as provided in subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this section. The commissioner shall define administrative costs for purposes of this subdivision.

Sec. 9. Minnesota Statutes 2004, section 256J.626, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR SERVICES.] Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP ~~or~~, the diversionary work program, or the work participation rate enhancement program, and families at risk of receiving MFIP or diversionary work program.

Sec. 10. Minnesota Statutes 2004, section 256J.626, subdivision 4, is amended to read:

Subd. 4. [COUNTY AND TRIBAL BIENNIAL SERVICE AGREEMENTS.] (a) Effective January 1, 2004, and each two-year period thereafter, each county and tribe must have in place an approved biennial service agreement related to the services and programs in this chapter. In counties with a city of the first class with a population over 300,000, the county must consider a service agreement that includes a jointly developed plan for the delivery of employment services with the city. Counties may collaborate to develop multicounty, multitribal, or regional service agreements.

(b) The service agreements will be completed in a form prescribed by the commissioner. The agreement must include:

(1) a statement of the needs of the service population and strengths and resources in the community;

(2) numerical goals for participant outcomes measures to be accomplished during the biennial period. The commissioner may identify outcomes from section 256J.751, subdivision 2, as core outcomes for all counties and tribes;

(3) strategies the county or tribe will pursue to achieve the outcome targets. Strategies must include specification of how funds under this section will be used and may include community partnerships that will be established or strengthened; ~~and~~

(4) strategies the county or tribe will pursue under the work participation rate enhancement program; and

(5) other items prescribed by the commissioner in consultation with counties and tribes.

(c) The commissioner shall provide each county and tribe with information needed to complete an agreement, including: (1) information on MFIP cases in the county or tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome measures; and (4) promising program practices.

(d) The service agreement must be submitted to the commissioner by October 15, 2003, and October 15 of each second year thereafter. The county or tribe must allow a period of not less than 30 days prior to the submission of the agreement to solicit comments from the public on the contents of the agreement.

(e) The commissioner must, within 60 days of receiving each county or tribal service agreement, inform the county or tribe if the service agreement is approved. If the service agreement is not approved, the commissioner must inform the county or tribe of any revisions needed prior to approval.

(f) The service agreement in this subdivision supersedes the plan requirements of section 116L.88.

Sec. 11. Minnesota Statutes 2004, section 256J.626, subdivision 7, is amended to read:

Subd. 7. [PERFORMANCE BASE FUNDS.] (a) Beginning calendar year 2005, each county and tribe will be allocated ~~95~~ 100 percent of their initial calendar year allocation. Counties and

tribes will be allocated additional funds from federal TANF bonus funds the state receives based on performance as follows:

(1) for calendar year 2005, a county or tribe that achieves a 30 percent rate or higher on the MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(2) for calendar year 2006, a county or tribe that achieves a 40 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(3) for calendar year 2007, a county or tribe that achieves a 50 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(4) for calendar year 2008 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(5) for calendar years 2005 and thereafter, a county or tribe that performs above the top of its range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), in both measurements in the preceding year will receive an additional allocation equal to five percent of its initial allocation; or

(6) for calendar years 2005 and thereafter, a county or

tribe that performs within its range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), in both measurements in the preceding year, or above the top of its range of expected performance in one measurement and within its expected range of performance in the other measurement, will receive an additional allocation equal to 2.5 percent of its initial allocation.

(b) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

(c)(1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.

(2) If after the application of clause (1) funds remain insufficient to meet county and tribal allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).

Senators Lourey, Koering, Kiscaden, Berglin and Neuville introduced--
S.F. No. 1344: Referred to the Committee on Health and Family Security.

A bill for an act

relating to human services; repealing the Minnesota family investment program family cap; repealing Minnesota Statutes 2004, section 256J.24, subdivision 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [REPEALER.]

Minnesota Statutes 2004, section 256J.24, subdivision 6, is repealed.

APPENDIX
Repealed Minnesota Statutes for 05-2754

256J.24 FAMILY COMPOSITION; ASSISTANCE STANDARDS; EXIT LEVEL.

Subd. 6. **Family cap.** (a) MFIP assistance units shall not receive an increase in the cash portion of the transitional standard as a result of the birth of a child, unless one of the conditions under paragraph (b) is met. The child shall be considered a member of the assistance unit according to subdivisions 1 to 3, but shall be excluded in determining family size for purposes of determining the amount of the cash portion of the transitional standard under subdivision 5. The child shall be included in determining family size for purposes of determining the food portion of the transitional standard. The transitional standard under this subdivision shall be the total of the cash and food portions as specified in this paragraph. The family wage level under this subdivision shall be based on the family size used to determine the food portion of the transitional standard.

(b) A child shall be included in determining family size for purposes of determining the amount of the cash portion of the MFIP transitional standard when at least one of the following conditions is met:

(1) for families receiving MFIP assistance on July 1, 2003, the child is born to the adult parent before May 1, 2004;

(2) for families who apply for the diversionary work program under section 256J.95 or MFIP assistance on or after July 1, 2003, the child is born to the adult parent within ten months of the date the family is eligible for assistance;

(3) the child was conceived as a result of a sexual assault or incest, provided that the incident has been reported to a law enforcement agency;

(4) the child's mother is a minor caregiver as defined in section 256J.08, subdivision 59, and the child, or multiple children, are the mother's first birth; or

(5) any child previously excluded in determining family size under paragraph (a) shall be included if the adult parent or parents have not received benefits from the diversionary work program under section 256J.95 or MFIP assistance in the previous ten months. An adult parent or parents who reapply and have received benefits from the diversionary work program or MFIP assistance in the past ten months shall be under the ten-month grace period of their previous application under clause (2).

(c) Income and resources of a child excluded under this subdivision, except child support received or distributed on behalf of this child, must be considered using the same policies as for other children when determining the grant amount of the assistance unit.

(d) The caregiver must assign support and cooperate with the child support enforcement agency to establish paternity and collect child support on behalf of the excluded child. Failure to cooperate results in the sanction specified in section 256J.46, subdivisions 2 and 2a. Current support paid on behalf of the excluded child shall be distributed according to section 256.741, subdivision 15.

(e) County agencies must inform applicants of the provisions under this subdivision at the time of each application and at recertification.

(f) Children excluded under this provision shall be deemed MFIP recipients for purposes of child care under chapter 119B.

Preliminary

Fiscal Note – 2005-06 Session

Bill #: S1344-0 **Complete Date:**

Chief Author: LOUREY, BECKY

Title: MFIP FAMILY CAP REPEAL

Agency Name: Human Services Dept

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	0	2,028	2,304	2,296	2,283
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund	0	2,028	2,304	2,296	2,283
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund	0	2,028	2,304	2,296	2,283
Total Cost <Savings> to the State	0	2,028	2,304	2,296	2,283

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Preliminary

Narrative: SF 1344

Bill Description

This bill repeals the Minnesota Family Investment Program (MFIP) family cap policy effective July 1, 2005. Under this bill, MFIP families will not be denied an increase in cash assistance when a child is born after a family has been on assistance for ten months.

Assumptions

See attached.

Expenditure and/or Revenue Formula

Administrative costs for this bill include systems costs for programming changes. The total cost is estimated at $10,000, 55% of which is the state general fund share of $5,940. These costs would be absorbed by the department.

Long-term Fiscal Considerations

Local Government Costs

References/Sources

Shawn Welch,
Reports & Forecasts Division
MN Dept of Human Services
651.282.3932

Minnesota
MINNESOTA FAMILY INVESTMENT PROGRAM
Fiscal Analysis of SF1344

This proposal eliminates the family cap on MFIP cash grants. Currently cash standards are not increased when a family has a child while receiving MFIP, unless the child is born within ten months of the application date, or unless certain exceptions are met. Under this proposal, a baby born to a family receiving MFIP would be counted in the determination of the family's cash standard. The primary fiscal impact to MFIP would be potential increases in the MFIP cash grants to the affected families.

Based on department data, it is estimated that approximately 7.4% of MFIP cases will have a family cap child when the policy is fully phased-in. It is further estimated that average cash grant amounts would increase by about $66/month for the affected cases.

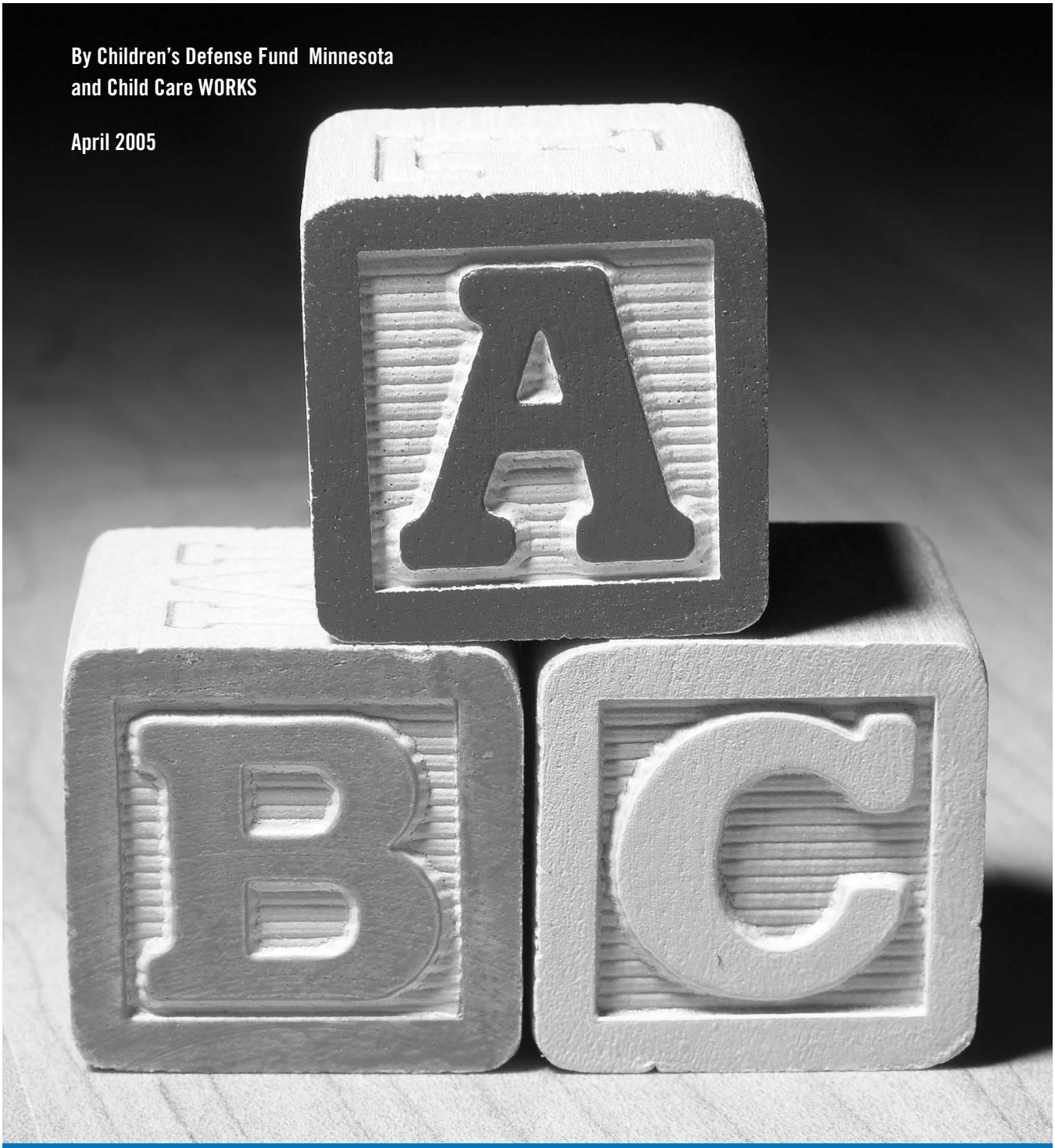
Based on historical growth in the number of cases with a family cap child, the current law policy is expected to be fully phased-in by January 2006. Thus, the cost of repealing the family cap in Fiscal Year 2006 is reduced due to the remainder of the phase-in.

The effective date is July 1, 2005. Due to the requirement that DHS receive prior approval from the US Department of Agriculture, this bill is projected to be implemented August 1, 2005. The phase-in percentage for fiscal year 2006 includes this one-month lag in implementation.

	FY2006	FY2007	FY2008	FY2009
Avg monthly MFIP cases	39,445	39,332	39,200	38,972
Percent with at least one family cap child	7.4%	7.4%	7.4%	7.4%
Avg monthly cases with family cap child	2,915	2,907	2,897	2,880
Avg monthly increase in grant	$66	$66	$66	$66
Phase-in	88%	100%	100%	100%
Total cost	$2,022,351	$2,304,072	$2,296,324	$2,282,970

By Children's Defense Fund Minnesota
and Child Care WORKS

April 2005



Missed Opportunities Produce Costly Outcomes

"Environmental changes, educational shortcomings, economic benefits and ethical imperatives all underline the value of preparing kids better for success in school, work, and life."

—Minnesota School Readiness Business Advisory Council

Funding for this report was provided by the
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JOBS NOW Coalition, Legal Services Advocacy Project,
Minnesota Budget Project, and
Minnesota Community Action Association.

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Childcare in Minnesota

Successful children become successful adults, so investing in Minnesota's children is good for all of Minnesota. Experts in many different fields—including primary school teachers, police officers, economists, and early brain development researchers—agree that investing in quality early care and education produces good outcomes for children and significant benefits to the broader community. **Yet, public resources that support working Minnesota families' access to quality early care and education for their children continue to diminish.**

Courtney Cushing Kiernat

This report focuses on Minnesota's Child Care Assistance Program (CCAP), which provides low-income working families with financial assistance to access early care and education for their children. The most dramatic policy and funding shifts in early care and education in recent years have been to CCAP. The report analyzes the impact of the changes and makes recommendations for future policy-making. The report uses the terms "early care and education" and "child care" interchangeably—because, in fact, they are one and the same.

Stakeholders of Child Care: Everyone Shares the Outcomes

Affordable and accessible quality child care helps parents to work while providing early education opportunities for Minnesota's youngest citizens. Using public resources to support these families reflects Minnesota's community values—work and education. Rather than fund and administer a bureaucratic child care "system," public resources in Minnesota help parents access the private early care and education market. Consequently, child care has many stakeholders:

- Children
- Parents
- Child Care Providers
- Businesses
- Communities

These interconnected stakeholders are each affected by changes in the system. **And each bears a cost if children are left in low quality or unstable child care arrangements.**

The Public's Role in Early Childhood Care and Education

Federal, state and local governments have an important role in ensuring the stability and accessibility of the early care and education infrastructure—much in the same way government supports other community infrastructures, like roads and public safety.

In Minnesota, less than one percent of the entire state budget is spent on early care and education programs. The Minnesota Child Care Assistance Program (CCAP) is only one of these programs.

Using public funds to pay for child care assistance is highly effective at helping low-income families work and succeed. A study found that former **welfare-to-work recipients with young children are 60 percent more likely to still be working after two years if they receive child care assistance.** As welfare reform progresses and fewer public funds are spent on providing cash assistance to families moving from Minnesota's welfare-to-

work program (the Minnesota Family Investment Program, or MFIP), there is an increased demand for child care assistance (see Figure 1). But estimates suggest that only 16 percent of eligible Minnesota families used child care assistance in 2000. At the same time, 7,300 families on average were on a waiting list for the assistance.

Courtney Cushing Kiernat

Child Care Policy & Funding in Minnesota

In Minnesota, a combination of federal, state and county resources help all working families pay for child care. Income tax breaks for a limited portion of parents' child care costs are available under both state and federal tax codes. In addition, Minnesota uses the federal Child Care Development Block Grant (CCDBG) and Temporary Assistance to Needy Families (TANF) funds, state general funds and special revenue funds to fund Minnesota's Child Care Assistance Program (CCAP).

Federal CCDBG and TANF funding for child care remains stagnant. Consequently, because actual child care costs continue to rise, the federal funding for assistance shrinks over time. For fiscal year 2006, President Bush recommends cuts that will result in a loss of assistance for 300,000 children nationwide—5,000 in Minnesota. This is of great concern, as CCAP relies heavily on federal funding. It accounted for almost 45 percent of CCAP funds in the 2004–2005 state biennium.

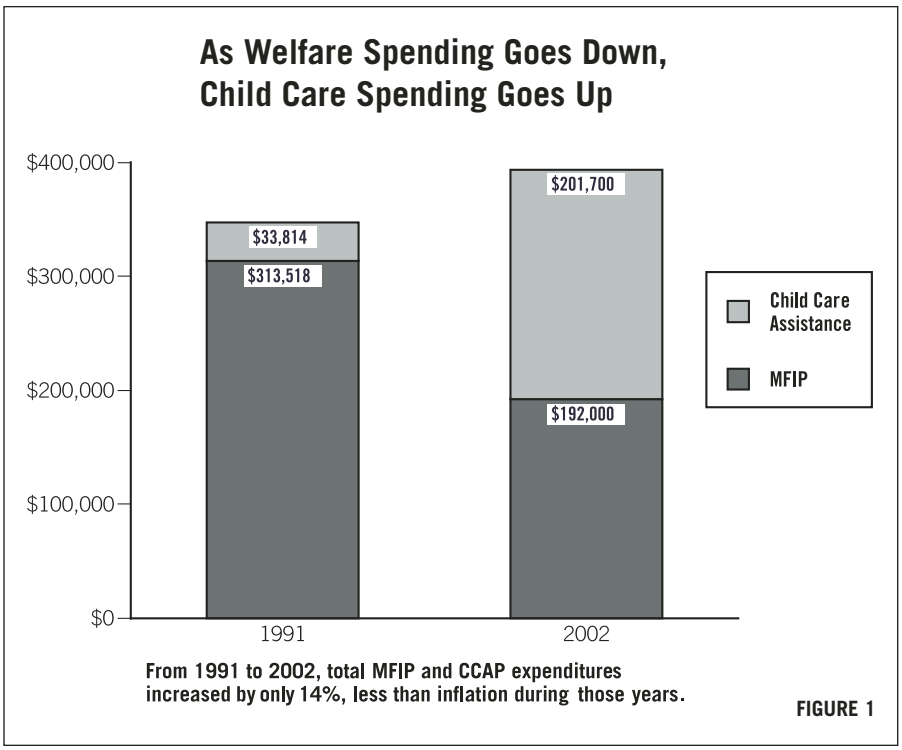


FIGURE 1

Child Care Policy Changes in Minnesota

Despite the emerging evidence-based arguments for investing more public resources into early childhood programs, Minnesota significantly decreased its commitment to helping working families access quality early care and education in recent years.

Reduced State Funding for Child Care by $86 Million in 2004-2005 Biennium

In 2003, the state legislature cut funding for CCAP by $86 million, or about one third, for the 2004-2005 biennium. This included a 48 percent decrease of state funds for BSF (see box "Overview of Key CCAP Components" on next page). The policy changes lowered the program eligibility level, increased family co-payments and temporarily froze provider reimbursement rates. (For a detailed explanation of 2003 legislative changes, see Appendix A.) Many providers had to pass more costs onto

families in order to stay afloat. The changes have made stable, quality care unavailable or unaffordable for thousands of families in need of assistance. **An estimated 10,000 children are no longer accessing child care assistance as a result of these changes, although their parents are still working and need assistance.**

Many of the 2003 policy changes in CCAP were permanent. Therefore, projected CCAP funds for the 2006-07 biennium also were reduced by $51 million, or almost 20 percent. However, the freeze on the maximum reimbursement rates paid to child care providers was supposed to be a temporary cost-savings measure, not a permanent policy change. The freeze was scheduled to be lifted in July 2005.

Governor Pawlenty Proposes Cutting Additional $70 Million—Total $121 Million Reduction for 2006-2007 Biennium

A new proposal in the governor's budget would reduce the state's commitment by an additional $70 million for the 2006-2007 biennium by maintaining the temporary freeze for three more years. **Under this proposal, reimbursement rates for private providers would be based on 2001 private market rates until July 2007.**

Costly Outcome

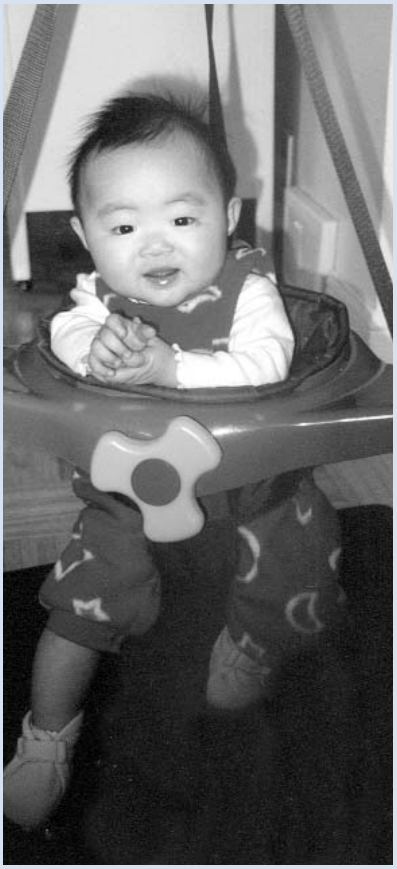
Cutting public investment in child care does not contain the cost of providing care; it only hurts families and businesses and shifts costs to local Minnesota communities. Access and quality were greatly compromised by the 2003 changes; neither working Minnesota families nor private providers can financially afford more cuts. The governor's proposal

Overview of Key CCAP Components

Resources: The state allocates CCAP funds to counties; counties add their own funds for program administration—including determining family eligibility, and registering and reimbursing providers.

Families: CCAP helps Minnesota families that participate in the state's welfare-to-work program—the Minnesota Family Investment Program (MFIP), those who have left MFIP within the past year and are part of Minnesota's Transition Year (TY) program, and families with incomes under 175 percent of the poverty guidelines (about $27,000 for a family of three) through the Basic Sliding Fee (BSF) program. BSF families receive assistance until their income rises to 250 percent of poverty (about $39,000 for a family of three). Child care for MFIP and TY families is forecasted so every eligible family who applies is guaranteed assistance. BSF is funded with a capped appropriation, so a limited number of eligible families receive assistance. Others who are eligible and apply are put onto a waiting list.

Parent Choice: Under federal law, CCAP parents must be able choose any provider who is willing to be reimbursed by CCAP up to a maximum reimbursement rate set by the state. Families choose from both



informal care (families, friends or neighbors) and licensed options (center- or family-based).

Parent Responsibility: Families are responsible for a monthly co-payment that increases as the family's income increases. Families who earn less than 75 percent of the poverty guidelines are exempt from the monthly parent co-payment. In addition, families may be required by their provider to pay the difference between the state reimbursement rate and the provider's actual rate, as well as any special fees charged by the provider.

Family Faced 500% Increase in Child Care Costs

Mary,* a single mother of twin toddlers who worked full-time as a hotel clerk in Greater Minnesota, earned just over $2,000 per month. Prior to the 2003 cuts, she paid a $58 co-payment for child care utilizing CCAP.

In 2003, her monthly co-payment doubled to $119. In addition, the rate at which her child care center was reimbursed for her children was frozen. The center started charging her an additional $240 per month to make up the difference. Paying $359 per month for child care—a 500 percent increase—was more than Mary could handle. She pulled her children from the center.

**name has been changed*

Courtney Cushing Kiernat

will make their situations worse. Private providers, many of whom (according to the Department of Human Services) are operating with no profit margin, confirm that the continued reimbursement freeze will force them to:

- Pass the rate difference on to CCAP families;
- Stop taking CCAP families; or
- Lower quality by reducing staff.

The Departments of Finance and Human Services estimate that a continued rate freeze will prevent thousands of the lowest-income working families from accessing help to pay for child care.

What Cost Does Each Stakeholder Bear?

Each stakeholder in the child care system will experience costly outcomes if Minnesota does not strengthen its commitment to early childhood and increase investments in the child care infrastructure. Ultimately, taxpayers and lawmakers need to decide if the *cost of not investing* in quality child care is too great, creating life-long impacts on future generations.

Children: Missed Opportunity to Get Ready for Learning and Success

To thrive and succeed, children need nurturing opportunities to develop—cognitively, physically, spiritually, socially and emotionally. Families are the primary influence on their children's development, but most Minnesota parents work outside the home. As a result, two-thirds of young Minnesota children spend time in early care and education settings.

Child care is more than "babysitting"; it establishes the foundation for children's development. Brain research studies consistently find that the first five years of a child's life are the most critical for development. Physical, emotional, social and cognitive growth is occurring rapidly. During this critical time, young brains are shaped by the quality of their interactions with adults. High quality interactions can enhance healthy development; poor ones can impede it.

Good quality child care includes:

- Parent involvement;
- Qualified, responsive, nurturing, and reliable caregivers; and
- A stimulating, age-appropriate, safe learning environment.

***Every* Minnesota child deserves the highest quality early childhood experiences, but research shows that high quality early care and education programs have the greatest impact on children from low-income families.** Investing in these children's early education and helping their parents give them the right start can make an enormous difference in getting them ready to learn in Minnesota's schools.

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Impact on Minnesota's Youngest Learners

Approximately 670,000 Minnesota children ages 12 and under spend some of their time in non-parental care during a typical week. In 2004, the state provided financial assistance for child care to about 56,000 children through Minnesota's Child Care Assistance Program (CCAP).

After the 2003 budget cuts, many Minnesota children lost assistance to access child care. Between July 2003 and November 2004, more than 10,000 Minnesota children dropped out of CCAP. More than 40 percent of these children live in families accessing CCAP through the state's welfare-to-work program, the Minnesota Family Investment Program (MFIP). Department of Human Services data suggests the vast majority of these families are still working, and thus, their children still need care. However, **where the children now spend their days, and the quality of those settings, is mostly unknown**.

Where young children, particularly low-income, at-risk children, spend their days while their parents work is important. The Department of Education reports that less than 50 percent of Minnesota kindergarteners are fully prepared for kindergarten. But, a Department of Human Services study of children in accredited, or higher quality, child care centers illustrates how quality care can make a difference. Although the study has some limitations, the results are profound. Over 80 percent

Where Are the Children?

"Out of the 15 CCAP families we had, 10 families dropped out of care because of changes to the CCAP program—eligibility or co-pays.

I don't know where most of those children spend their days. Three of the families have relatives or friends watching the children. One family used a teenage cousin to watch the children, and suffered a fire. Two of the families were single mothers who no longer are at their place of employment."

—Child Care Center Director
Austin, Minnesota

of the children in the sample from accredited centers were assessed as "fully proficient," or ready for kindergarten.

Results from low-income children matched those of their fellow students from higher income, more educated households. In addition, there were no differences based on race. This is in stark contrast to the racial disparities for Minnesota children that exist in most other domains, including primary and secondary education, health, child welfare, and criminal justice.

The findings are bittersweet, since the 2003 Legislature eliminated incentives for accredited child care providers to care for CCAP children. Over the past two years, fewer low-income children had access to child care that would make the difference for them as they start school. Quality early education can even the playing field for low-income children, giving them a fair start.

Fewer CCAP Resources Affects ALL Minnesota Children

There are fewer licensed child care providers statewide from which all Minnesota working families can choose. From December 2003 to December 2004, the number of licensed providers statewide decreased by 550. **The impact is particularly acute in Greater Minnesota where families in higher income brackets use the same providers as CCAP families and providers are operating at a zero percent profit margin or at a loss.** When a child care provider shuts down, every child in that program, not just the low-income children, experiences a disruption.

Access to quality care has suffered. Providers across the state report being in financial crisis and having to take sharp measures to contain costs. For example, 26 percent of a sample of Hennepin County centers reduced staff benefits and salaries and 45 percent laid off staff. **These actions increase staff turnover and student-teacher ratios, which negatively impacts the quality of care for all children in these programs.**

Finally, when children reach elementary school, students who are not able to follow directions and pay attention divert resources from their classmates. In a national poll, 86 percent of kindergarten teachers said poorly prepared students in the classroom negatively affect the progress of all children, even the best prepared.

What Does "School Readiness" Look Like in Young Children?

A recent national survey of kindergarten teachers found that school readiness has less to do with mastering the ABCs and counting to 20, and much more to do with being emotionally and socially ready to learn academic material.

Kindergarten teachers want five- and six-year-olds who enter school to be able to:

- Follow directions;
- Pay attention; and
- Get along well with others.

Quality early care and education settings reinforce families' efforts to teach young children these skills.

Parents: Missed Opportunity to Support Working Parents

For most parents, working outside the home is not a choice. In Minnesota today, 21 percent of children live with only one parent. Many two-parent households must have both parents in the workforce to make ends meet. Working parents want the best for their children—nurturing, safe environments in which the children can grow and learn. Sometimes neighbors and grandparents can help out, but many grandparents do not live close by or are in the workforce themselves and not available as consistently as working parents' schedules require. Consequently, many Minnesota families rely on early care and education programs.

But, child care is expensive—both for the providers who run programs and the parents who pay for them. In October 2004, the average annual cost of care ranged from $5,000 and $12,000, depending upon the child's age, type of care, and geographic location.

Working Minnesota families struggle with the costs. A May 2004 survey of people applying for Minnesota's welfare-to-work program showed that **child care was the number one reason parents with young children were applying for cash assistance**.

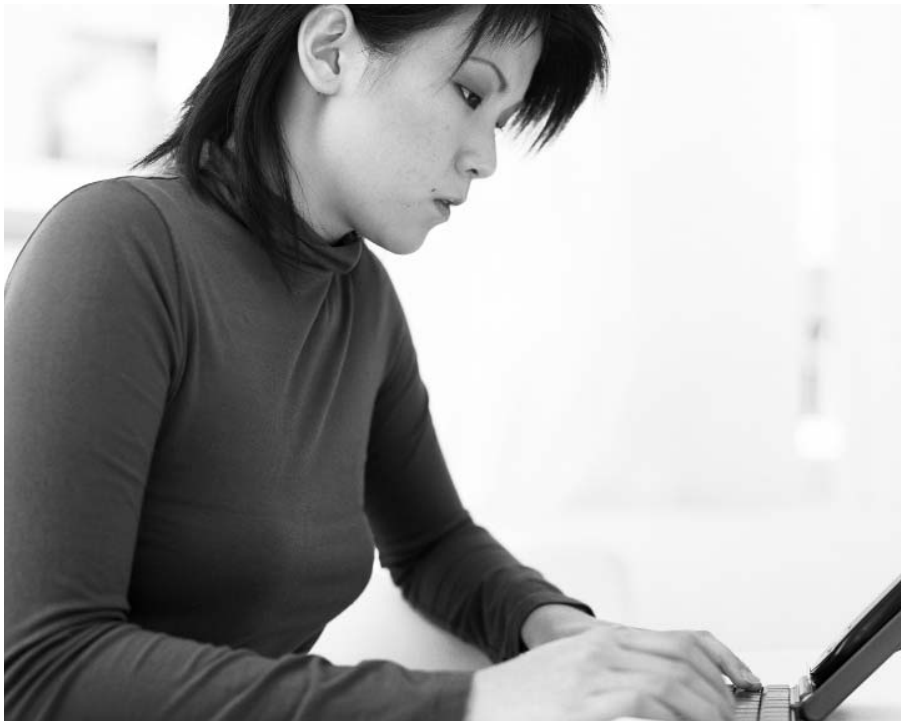

Figure 2 (see next page) illustrates the financial dilemma many parents face. The chart details a "no frills" monthly budget of a single parent with two young children needing full-time care. **Even at two and a half times the federal poverty line, this family cannot afford child care and all of their other basic needs in the metro area. They are doing slightly better than breaking even in Greater Minnesota.** Although they also would be eligible for limited assistance with health care, they would not be eligible for other forms of assistance, like housing or food support.

Impact on Minnesota's Working Parents

The 2003 budget cuts to CCAP shifted significant child care costs to working parents.

Many parents are no longer eligible for CCAP

The Department of Human Services estimates that 800 working Minnesota families were immediately cut off from child care assistance in July 2003 due to the CCAP eligibility changes. There is no way to estimate how many more families who would have been eligible for CCAP prior to the 2003 changes currently need financial assistance for child care.

"Our neighborhood child care program, operated out of a church in Richfield, has been an asset and a support for working families across all income levels in our community for over 30 years.

About one-third of the children served in our center receive Child Care Assistance payments.

Since 2003, the center lost its accreditation bonus, has struggled to retain and recruit enough families who can afford their co-pays, slashed staff, gave those remaining only a one percent pay raise (which was more than offset by the increase in health care premiums that was passed on to them), and cut the program's budget to the core.

Tuition went up almost ten percent and still the program is operating at a significant deficit.

Even now, I don't know how families are able to afford it—people are just barely hanging on. I am worried that the center will just go out of business. Then where will all the families go?"

—Non-CCAP Working Parent of Five- and Three-Year-Old Children

Many eligible CCAP parents can no longer afford to access the assistance

In 2003, the monthly amount parents pay in co-payments increased by as much as 100 percent for some families. Many CCAP families can no longer afford the co-payments. Child care subsidy workers across the state have seen many families suspend their CCAP cases since 2003—even though the families were still eligible—because they cannot afford the co-payment.

In addition, many CCAP parents are now required by their providers to pay a monthly "differential"—the difference in the rate between what the provider charges private pay families and what the state will pay for CCAP children. A recent survey of Minnesota child care providers indicated that a typical differential is $100-$200 per month. As one center director in Fergus Falls commented, "A hundred dollars a month is a lot for a single mom working at Taco Bell."

Higher costs for parents mean less access to the provider of their choice

According to federal regulations for CCAP, parents must be able to choose from the same options of child care settings that are available to other families, from informal care by relatives or neighbors, to family child care homes, to child care centers, as long as those providers accept CCAP families. Parents who cannot afford the co-payment plus the differential must find a cheaper alternative. But there are fewer and fewer alternatives available. According to Department of Human Services' estimates, if the state used *current* market rates to set reimbursement rates, CCAP families could choose from 82 percent of the providers statewide, as their rates would be at or below the rate the state will pay. **Instead, only 68 percent of the family child care market and 56 percent of the center-based providers are in this category and thus available to CCAP families who cannot afford more than their monthly**

Monthly Budget for a Single Working Parent of a Toddler and Infant in Minnesota in 2002

Monthly Costs (2002)	Metro Area	Greater Minnesota
Food	$365	$365
Housing	$912	$564
Health Care	$275	$275
Transportation	$344	$445
Clothing/other	$249	$249
Net Taxes	$455	$290
Licensed Child Care	*$1,133*	*$877*
Total Monthly Costs	**$3,733**	**$3,065**

2002 Poverty Levels (Gross Monthly Income)	Net Monthly Income Metro Area	Net Monthly Income Greater Minnesota
175% ($2,190)	-$1,543	-$875
200% ($2,503)	-$1,230	-$562
250% ($3,129)	-$604	$64

SOURCE: JOBS NOW Coalition

FIGURE 2

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"…A rate freeze is the strategy most likely to restrict access to both licensed family child care and center-based care."

—Minnesota Department of Human Services

co-payments. Figure 3 (see next page) illustrates the loss across Minnesota between 2001 and 2004 of affordable child care for families of toddlers. A similar pattern exists across age groups and types of care.

Working CCAP parents have difficult budget choices

Child care costs have increased substantially over the past two years for CCAP families, but so have other necessities. Rising health care costs, fuel prices, and housing costs have also squeezed their budgets. Child care choices can be more flexible than other line items. Unfortunately, quality can be sacrificed for affordability.

Governor Pawlenty's 2005 Proposal

Governor Pawlenty's proposal to cut an additional $70 million over the next two years by continuing the rate freeze **will directly impact the ability of Minnesota parents with the least resources to access child care for their children.** The Minnesota Department of Human Services was asked to evaluate the impact of various ways to contain the state's child care expenditures. They concluded, ***"…a rate freeze is the strategy most likely to restrict access to both licensed family child care and center-based care."***

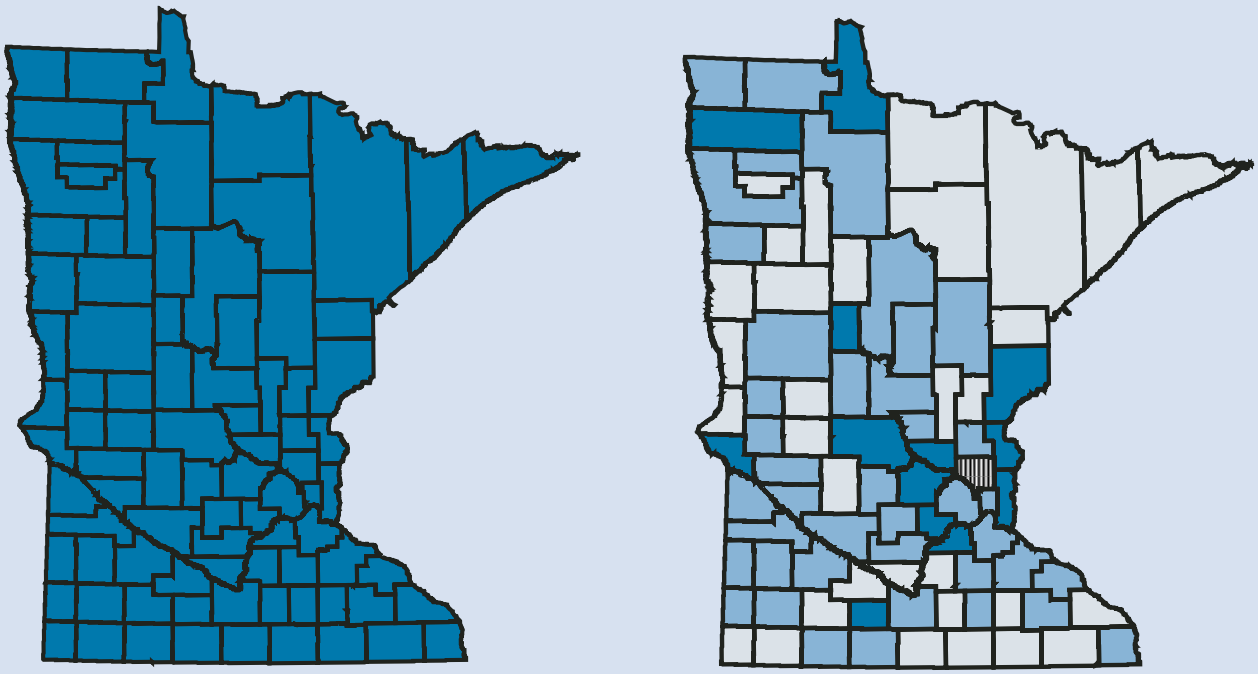
The state will realize savings because CCAP families will have less "purchase power" in the private market, and because fewer families will participate in CCAP as it will be out of reach financially for them. In fact, CCAP is now so restrictive that the program cannot find enough families who are eligible or who can afford to use the program, which has resulted in unused funds that are double the amount that is typical. The Governor's proposal relies on approximately 1,200 children from eligible MFIP families not accessing CCAP funds every month due to the freeze.

Accessibility Decreases

In 2001, in every county in Minnesota, 75–100 percent of family care providers were affordable to CCAP families with toddlers, i.e. the cost of this care did not exceed the monthly co-payment plus the state reimbursement. By 2004, that was true in only 13 counties.

Figure 3

Percent of Family Care Providers Whose Rates Are Below the Maximum State Reimbursement Level for Toddlers



2001

Percent of Family Care Providers (for toddlers)

75–100%

2004

Percent of Family Care Providers (for toddlers)

75–100%
50–75%
less than 50%
no data

Data source: Department of Human Services. Map and analysis by CDF Minnesota

Providers: Missed Opportunity to Support Small Businesses

Licensed child care providers are small private business owners that employ more than 28,000 full-time equivalents and have gross receipts totaling $962 million annually in Minnesota. They set their own rates and find their own clients. Some choose to accept children whose families receive financial assistance from CCAP. Of the licensed slots available for Minnesota children, only 10 percent of those in center care and 6 percent of those in family care are filled by CCAP children.

If providers accept CCAP children, they are reimbursed for the costs of those children's care up to a maximum set by the state. This maximum is determined as the 75th percentile of the private market rate in that provider's geographic region. Providers of most CCAP children receive a portion of their reimbursement directly from family's co-payments and the rest from their county of residence. Unlicensed providers are paid 80 percent of the licensed family child care rate.

Current reimbursement rates for CCAP children have no relation to rates in the current private market. Due to a freeze on reimbursement rates imposed by the 2003 Minnesota legislature, the current reimbursement rates are based on the private market rates from 2001. On average statewide, current maximum reimbursement rates are at the 56th percentile for licensed family care and 48th percentile for centers.

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If a provider's rate is greater than the maximum reimbursement rate, the provider has several choices—all of them detrimental to the provider's current clients and thus the business. They can:

- Stop caring for CCAP children;
- Charge CCAP families the difference in the rate, which these families can ill afford; or
- Lower the quality of care to contain costs and meet their monthly budgets.

Impact on Minnesota's Child Care Providers

"The average center is [financially] operating on the edge."

—DHS *Cost of Child Care* report

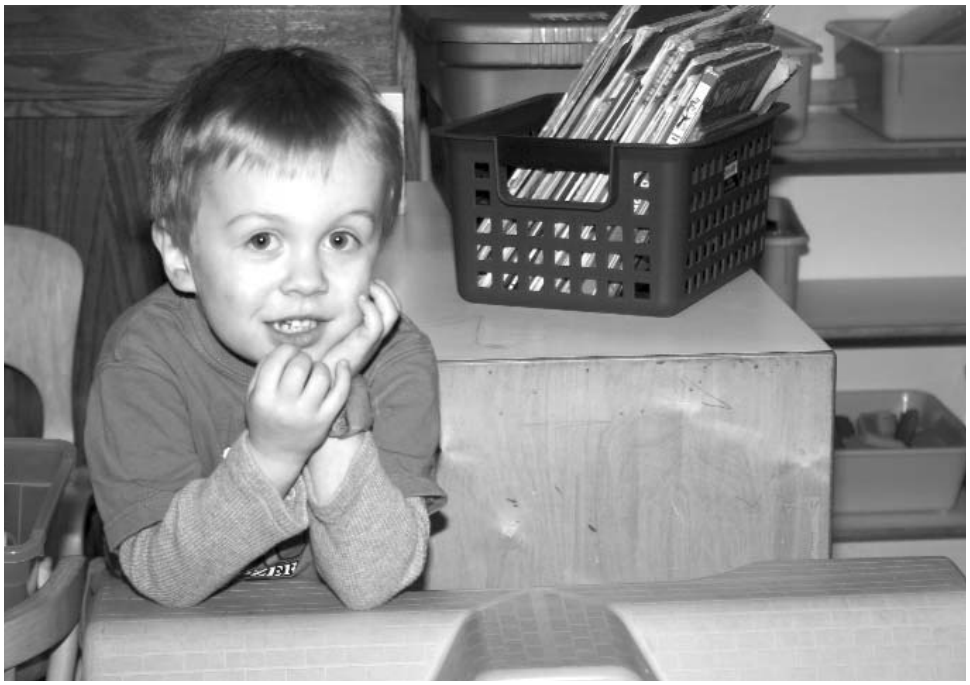
According to a recent report by the Minnesota Department of Human Services, the statewide average profit for child care centers is 3 cents per child per hour—less than 1 percent. When in-kind services are taken into account, child care centers are losing 12 cents per child per hour, on average.

Between July 2003 and January 2005, the number of providers Ramsey County reimburses for CCAP children decreased by 55 percent.

The sharpest decline was in the unlicensed providers who are often referred to as "family, friends, or neighbors."

These providers are not licensed, but are able to be reimbursed for CCAP families so the CCAP parents can afford to work.

The current reimbursement rate for these providers in Ramsey County is about $2 per hour. In July 2003, Ramsey County reimbursed more than 730 of them; by January 2005 that had shrunk to approximately 210.



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Family child care providers are not doing much better

DHS estimates that the annual taxable income for a family provider working more than full-time is $8,500 in Greater Minnesota and $15,500 in the metro area.

Providers were also hit by the 2003 Minnesota legislature with high fee changes

Licensing fees for child care centers were increased as much as 300 percent, on average, and licensing fees of $150 were imposed on family child care providers for the first time. In addition, many providers are now being charged up to $100 annually by their county for performing criminal background checks. While fees, and even increased fees, may be reasonable, the timing of so many changes at one time was a disaster for child care providers.

Providers cannot contain costs any further

The primary costs for child care centers are labor, facility costs, and food. Reducing any of these costs puts children's safety and care at risk. The average child care center worker earns just $16,410. These are some of the lowest wages in the state—just slightly above the wages of dishwashers.

Because of the 2003 freeze, the difference between what providers are being paid and what their actual costs are has grown. Child care businesses have no ability to absorb more financial loss.

Child care providers have gone out of business. Licensed family providers were already suffering in 2003, and Minnesota saw an increased trend in family provider closings following the 2003 budget cuts. From December 2003 to December 2004, the number of providers statewide decreased by 550. **The impact is particularly acute in Greater Minnesota.** For example, the southwestern part of Minnesota saw a seven percent decline in the availability of licensed family providers in that one year.

Businesses and Communities: Missed Opportunity to Improve Minnesota's Prosperity

Whether considering the stability, reliability, and quality of either the current or future workforce, competitive businesses and Minnesota communities must focus on the role of quality early care and education.

A strong child care infrastructure benefits businesses—large and small—as well as Minnesota's economy. The infrastructure enables employers to:

- Recruit employees;
- Reduce turnover and absenteeism; and
- Increase productivity.

Working parents are a critical sector of Minnesota's labor force, but their dual roles as workers and parents require them to constantly juggle schedules and obligations.

- Almost 25 percent Minnesota's working parents with young children report that child care problems have prevented them from taking or keeping a job.
- About 22 percent of Minnesota's working parents say they have been late for work, left early, or missed work in the past six months due to child care problems.

The costs of unstable child care to Minnesota's businesses are real. Employers bear costs when parents' child care arrangements are not accessible and reliable. According to a national survey of human resource executives, unscheduled absenteeism cost small businesses an average of $60,000 and large companies an average of $3.6 million per year. Employee turnover is estimated to cost U.S. businesses 1.5 times the annual salary of a salaried employee and .75 times the annual wage of an hourly employee.

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Certain sectors of Minnesota's economy rely heavily on working CCAP parents for their labor force. Specifically, health care and social assistance, retail trade, accommodation and food services, and the administrative and support services industries are more likely to employ parents who access CCAP funds.

Quality early care and education for the lowest income children improves the quality of the future workforce and is consequently one of the most efficient uses of today's tax dollars. Economists Art Rolnick and Rob Grunewald of the Minneapolis Federal Reserve Bank assert that putting public resources into high quality early childhood programs for the lowest income children is one of the best returns on public investment—an overall 18 percent rate of return on investment, 17 percent of which is a public rate of return. They rely on two scientific findings:

- The development of young children's brains is shaped by the quality of their interactions with adults. While it is possible to

"Whether it is a lack of transportation, *reliable child care,* or recurring personal problems, 'we are not seeing the same number of good, solid candidates in our worker pool.'"

—Branch manager from temporary employment services agency

As cited in article on labor shortage in the Federal Reserve Bank of Minneapolis' January 2005 fedgazette, emphasis added.

"The early care and education structure currently in place is not up to the task, either in physical capacity or educational quality."

—Minnesota School Readiness Business Advisory Council

have a positive influence on a child's development later in life, it is much less difficult and costly to create a healthy foundation early on.

- At-risk children who were in high quality early childhood programs have significantly better behavioral, social, and cognitive outcomes throughout their lives than their peers who were not in such programs.

The economic analyses show that public investments produce public cost savings because of reduced incidence of:

- Grade repetition and special education;
- Criminal behavior and punishment;
- Welfare and related poverty costs.

Recognizing the public good that can result, the Minnesota School Readiness Business Advisory Council (MSRBAC), a group of executives from more than 100 of Minnesota's leading companies, advocates for more investments in early childhood. Their 2004 task force report concludes that as the trend toward global competition increases, lagging early childhood preparation threatens the continued competitiveness of Minnesota businesses as well as Minnesota's quality of life.

Impact on Minnesota

It is difficult to assess how the 2003 changes to CCAP have affected Minnesota's businesses and communities. What we do know is that the current child care infrastructure is precarious, providers are operating on the edge, and many parents can no longer access affordable care. As the Department of Human Services notes in their recent report, "… we don't know at what point this [loss of access to child care] will have an effect on job stability for families or school readiness for children."

Analyses of demographic and employment trends suggest Minnesota's workforce will have an increased need over time for a strong early care and education infrastructure. Two trends are particularly relevant:

- The working parent workforce is expected to continue growing.
- Significant job growth will occur in the sectors that currently employ the majority of CCAP families.

The increasingly competitive knowledge-based global economy will demand more of tomorrow's workforce. Economists and businesses have made it clear: To invest public funds efficiently and wisely and get Minnesota's future workforce ready to compete, Minnesota needs a strong early childhood infrastructure *now.* The state must help sustain that infrastructure.

Conclusion: Opportunities for ALL Minnesotans

Children, parents, child care providers, businesses, and the broader community—all Minnesotans are impacted when the infrastructure that supports our youngest children is dismantled. Minnesotans must take action to stop the erosion of that infrastructure. We propose the following actions during the 2005 legislative session.

Allow More Low-Income Working Families Access to Child Care Assistance

1. Eligibility and Parent Co-Payment

Increase family income eligibility to allow families earning up to 250 percent of the federal poverty guidelines to enter CCAP. Make low-income working parents' contributions (including the CCAP co-payments as well as any differential rate costs providers need to require) affordable.

2. Provider Reimbursement

Thaw the freeze and reimburse child care providers at a rate at or below the 75th percentile of *current* private market rates. The rate freeze imposed in 2003 has wreaked havoc for child care businesses and weakened the quality and viability of the child care industry.

Increase Access to Quality

3. Accreditation Incentive

Research shows that providers are more likely to seek accreditation when they are able to realize a rate increase of 15 percent or more, based on obtaining that accreditation. Reimburse accredited child care programs at a rate that is at least 15 percent higher than the maximum child care assistance reimbursement rate. This supports quality programs and, in turn, improves the school readiness of all of the children served by those programs.

4. Minnesota Early Learning Fund

Research shows that at-risk children who attend high quality early childhood programs are better prepared for school and life. The State should match private funds to create the Minnesota Early Learning Fund to implement a voluntary quality rating system for early childhood programs and demonstrate successful approaches for serving low-income children and increasing quality of programs for all children.

Provide Relief to Struggling Small Businesses

5. Provider Fees

During the past two years, child care reimbursement rates have been frozen, while fees have increased exponentially. This has added to the financial strain felt by child care businesses, further limiting families' access to quality child care options. Suspend child care license and background study fees for the next biennium and take responsibility for defraying the cost of any licensing revenue lost by counties.

Appendix A: 2003 CCAP Budget Cuts and Program Changes

The 2003 Minnesota Legislature made the following policy changes to the Child Care Assistance Program (CCAP). These changes resulted in the elimination of $86 million in resources for child care assistance in the 2004-2005 biennium and the elimination of $51 million in resources in the 2006-2007 biennium.

Entrance income eligibility lowered from approximately 290 percent of the poverty guidelines to 175 percent

In other words, eligibility went from 75 percent to 44 percent of Minnesota's median income. The nationwide average income eligibility is 59 percent of a state's median income. Prior to 2003, Minnesota ranked 4th amongst states for income eligibility for child care assistance. **Minnesota now ranks 33rd for entrance levels, below Mississippi. Mississippi is the lowest-ranking state for overall child well-being.** Family income eligibility to exit CCAP was also reduced to 250 percent of the poverty guidelines; Minnesota ranks 7th in the nation for exit levels.

Family co-payments increased

Families experienced a steep increase in co-payments—by as much as 100 percent for some. Current co-payments for all other families range from 3-22 percent of the family's gross income. Families who earn less than 75 percent of the poverty line have no monthly co-payment.

Reimbursement rates to providers were temporarily frozen at 2001 rates

Current reimbursement rates for private providers of CCAP children are not related to current private market rates. In fact, the state freeze did nothing to contain child care providers' costs—child care business costs grow as their rents increase and their employees need cost-of-living increases. The freeze only reduced the state's commitment to helping Minnesota children access care.

Provider fees increased

Licensing fees for child care centers were increased as much as 300 percent, on average, and licensing fees of $150 were imposed on family child care providers for the first time. At the same time, counties may now charge up to $100 annually for performing criminal background checks for providers.

Quality incentives eliminated

A key indicator of quality is "accreditation" by the National Association for the Education of Young Children and other accrediting bodies. Prior to 2003, state policy encouraged child care providers to attain this level of quality and serve CCAP children by giving accredited providers a slightly higher reimbursement rate. This increased quality for all Minnesota children in accredited care since accredited programs serve non-CCAP children as well. But in 2003, Minnesota withdrew its commitment to encouraging high quality care—the accreditation incentive was eliminated.

Key Findings

1) The 2003 legislative changes put Minnesota in the bottom third nationwide in terms of child care assistance eligibility. This, combined with dramatic increases in out-of-pocket costs for families and frozen payments for providers, has made the program so restrictive that working families are finding it extremely difficult to access child care assistance.

- 10,000 fewer Minnesota children accessed child care assistance between 2003 and 2004; data indicate that their parents are still working and financially in need of assistance.
- From December 2003 to December 2004, the number of licensed providers statewide showed a net decrease of 550.
- In 2001, more than 75 percent of child care programs in all 87 Minnesota counties charged rates at or below the maximum rate paid by the state—in other words, child care assistance families had access to more than 75 percent of all child care programs without paying an additional fee on top of their co-payment. This met the guidelines suggested by the federal government. In 2004, only 13 counties were left with more than 75 percent of child care providers in that county charging rates financially accessible to child care assistance families.
- Child care assistance has become so restrictive that the unused funds are double the amount that is typical.

2) Governor Pawlenty proposes $70 million in child care cuts for the 2006-07 biennium. This is on top of $51 million in child care cuts for 2006–2007 biennium as a result of the 2003 changes. The governor's proposal highlights yet a further retreat from Minnesota's commitment to young children and takes the most harmful path for families in terms of spending reduction options.

- The Department of Human Service's recent "Cost of Care" report states that "…*a rate freeze is the strategy most likely to restrict access to both licensed family child care and center-based care.*"

3) Economists at the Federal Reserve Bank of Minneapolis view investment in high quality early care and education programs for low-income children as one of the most efficient uses of tax dollars, citing a 17 percent public return. A consortium of 100 leading Minnesota businesses (the Minnesota School Readiness Business Advisory Council) agree, highlighting the close correlation between quality early childhood programs and the future of Minnesota's workforce, economy and quality of life.

4) Quality child care reinforces families' efforts to provide the foundation for children's development, prepares children for kindergarten, and can level the playing field for low-income children.

- A recent study by the Department of Human Services that evaluated the school readiness of children who attended 22 accredited child care centers in Minnesota found that more than 80 percent of children in the sample were "fully ready for kindergarten"—compared to less than 50 percent in the general Minnesota population.
- Brain research studies consistently find that the first five years of life are some of the most critical for development. During this time, high quality interactions with adults enhance healthy development; poor ones impede it.

5) Parents need affordable, quality child care to work.

- Recent studies found that child care was the number one reason Minnesota families with children under the age of six applied for MFIP.
- Child care problems have prevented 25 percent of Minnesota's working parents from taking or keeping a job.

6) Investing in child care assistance positively correlates with reducing the need for cash assistance.

- One of the goals of welfare reform was to move families from welfare to work. As families make this transition, MFIP expenditures decrease, while child care expenditures naturally increase. Child care is a key component to keeping parents in the work force.

7) Licensed child care providers—a private industry comprised mostly of small businesses—are barely staying afloat.

- The average child care center in Minnesota is operating at a zero percent profit margin or at a loss, while the average family provider is making less than $15,500 in the metro and $8,500 in Greater Minnesota.

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Notes

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