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Regulation of Health and Human Services Facilities

This guidebook provides an overview of state regulation of residential facilities that provide support services for their residents.

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Introduction

This guidebook gives an overview of state regulation of residential facilities that provide support services for their residents. For each facility type, information in summary form is provided on services delivered, clients, number of facilities and beds in Minnesota, facility and program regulation, and sources of reimbursement.

For purposes of this guidebook, a “residential facility” is one in which the resident lives in a group setting at a location that is not a single-family home or a medical institution such as an inpatient hospital. “Support services” are defined broadly to include both health-related services such as nursing and home health services and nonhealth-related services such as personal care and home management services.

The main goals of this guidebook are to make it easier to distinguish different types of facilities from each other and to distinguish between different aspects of state regulation. In general, residential facilities providing support services must be licensed by the Minnesota Department of Health (MDH) to operate in the state. MDH is responsible for setting health and safety standards for facilities and for setting quality standards for certain support services. In addition, certain treatment and support programs provided at facilities must be licensed by the Minnesota Department of Human Services (DHS), and most must meet DHS standards to receive state and federal funding. Finally, nursing homes and intermediate care facilities for persons with mental retardation (ICFs/MR) must be certified by MDH in order to qualify for reimbursement under the Medical Assistance (MA) program.

This division of responsibilities between two state agencies, and distinctions made between facility and program standards, can lead to different forms of regulation for facilities with the same MDH facility license. For example, facilities licensed by MDH as supervised living facilities can have one or more of the following DHS program licenses: chapter 245B (residential services for persons with mental retardation), Rule 32 (services for persons with chemical dependency), Rule 36 (services for mentally ill persons), or Rule 80 (services for the physically handicapped). Alternatively, facilities with different MDH facility licenses may be subject to identical regulation. For example, “nursing homes” and “certified boarding care homes” are separate MDH license categories, but both facility types can be certified by MDH as “nursing facilities” for purposes of MA reimbursement.

It should also be noted that the same DHS program can be offered at more than one facility type. For example, home and community-based waived services can be provided in housing with services establishments, board and lodging facilities with special services, and adult foster care homes. Similarly, Rule 36 programs providing services for mentally ill persons can be offered at noncertified boarding care homes, group homes licensed as supervised living facilities, and board and lodging facilities.

Guidebook organization. Part 1 of this guidebook describes facilities that provide both residential and support services and summarizes the regulatory authority of MDH and DHS. Part 2 of this guidebook describes support services that can be provided both to residents of these facilities and to persons residing in their own homes. Part 3 contains appendices and a glossary. Appendix A provides statute and rule citations related to facility and service regulation by MDH. Appendix B provides statute and rule citations related to facility and service regulation by DHS.

The glossary contains definitions of terms related to services, funding, and other aspects of facility regulation and operations.

Format for facility type descriptions. Within Part 1, facilities are organized by the facility licensure categories used by MDH. Information is provided for each facility type under the following headings:¹

Services: Lists the support services provided by the facility. Lodging-related services are not listed, since all facility types provide these services.

Client eligibility: Describes the basis for client eligibility. Generally, a resident must have a physical, mental, or developmental disability to be eligible to reside in a facility.

Facilities or providers in Minnesota: Lists the number of facilities or providers in Minnesota.

Sources: For nursing homes, housing with services establishments, and home care providers, this is the figure reported in *Licensed, Certified and Registered Health Care Facilities and Services* (Minnesota Department of Health, 2005). For certified boarding care homes, noncertified boarding care homes, supervised living facilities, and board and lodging with special services facilities, the number of facilities was provided by MDH staff. For adult foster care homes and semi-independent living services (SILS) agency licenses, the number of facilities or licenses was provided by DHS staff.

Beds in Minnesota: Lists the number of beds licensed statewide by MDH. In the case of nursing homes and ICFs/MR, beds must also be certified by MDH in order to qualify for reimbursement under the MA program.

Sources: For nursing homes, certified boarding care homes, noncertified boarding care homes, and home care providers, this is the figure reported in *Licensed, Certified and Registered Health Care Facilities and Services* (Minnesota Department of Health, 2005). For supervised living facilities, the number of beds was provided by MDH staff. For adult foster care homes, the number of beds was provided by DHS staff.

¹ Most of these categories, with slight modification, are also used in the descriptions of support services provided in Part 2.

MDH facility service license: Lists the type of facility or service license, and the statute and rule citations for the licensing requirements. MDH is the agency generally responsible for ensuring the quality of care provided to residents of facilities and to persons needing support services in their homes.

DHS program license: Lists the DHS program licenses that may be required for a facility, and the statute and rule citations for these requirements. A facility licensed by MDH may be required to have a DHS license for the treatment and support programs it operates. For example, a facility licensed as a “supervised living facility” by MDH may offer programs for persons with mental illness that are licensed by DHS under Rule 36 (Minn. Rules, parts 9520.0500 to 9520.0670). Such facilities are commonly referred to as “Rule 36” facilities.² Information on the number of program licenses was provided by DHS staff.

MA certification: Indicates whether the facility type qualifies for Medical Assistance (MA) reimbursement. Of the facility types listed, MA pays only nursing homes and ICFs/MR directly for services. MA does, however, pay nonfacility providers for home health and home and community-based waived services provided to persons residing in certain types of facilities.

Reimbursement: Lists common sources of reimbursement for the facility or service (see glossary for descriptions).

Provisions governing reimbursement: Provides statute and rule citations for state reimbursement programs.

Special notes: Where applicable, provides further clarification on reimbursement and other issues.

² “Rule 36” refers to the numbering used in older compilations of DHS rules. For example, under the *Minnesota Code of Agency Rules* (MCAR), rules governing programs for adults with mental illness began at section 2.036. In the rule compilation preceding MCAR, these rules were cited as DPW 36 (for Department of Public Welfare). In September 1983, MCAR was replaced by the current *Minnesota Rules*. However, “Rule 36” and other similar abbreviated rule references (e.g., Rule 50) are still commonly used when referring to facility types and reimbursement sources.

Part 1: Facilities

Nursing Homes

Services	Provide nursing and related medical services
Client Eligibility	Serve five or more elderly or physically disabled persons
Facilities in Minnesota	400 licensed facilities, as of March 15, 2005. Of these, 387 facilities are certified for participation in MA
Beds in Minnesota	36,376 licensed beds, as of March 15, 2005. Of these, 35,194 beds are certified for participation in MA
MDH Facility License	Nursing home (Minn. Rules parts 4658.0010 to 4658.5590; Minn. Stat. §§ 144A.01 to 144A.10; 144A.11; 144A.115)
DHS Program License	None required. Four have Rule 80, <i>Residential programs and services for physically handicapped</i> (Minn. Rules parts 9570.2000 to 9570.3400; Minn. Stat. § 245A.09)
MA Certification	Nursing facility (NF) ³
Reimbursement	Room and board, and services: MA, Medicare, or private pay
Provisions Governing Reimbursement	Rule 50, <i>Nursing facility payment rates</i> (Minn. Rules parts 9549.0010 to 9549.0080; Minn. Stat. §§ 256B.41 to 256B.48, 256B.50, 256B.502) Minnesota Statutes, section 256B.434, establishes the contractual alternative payment demonstration project, an alternative to reimbursement under Rule 50. Minnesota Statutes, section 256B.441, requires a five-year phase-in of a new value-based nursing facility reimbursement system, beginning October 1, 2007.

³ In contrast to MA, nursing homes under Medicare are certified as skilled nursing facilities (SNFs).

Certified Boarding Care Homes

Services	Provide nursing services and personal or custodial care, such as assistance with eating and grooming and supervision of self-administered medication
Client Eligibility	Serve five or more elderly, physically disabled, or mentally ill persons
Facilities in Minnesota	26, as of March 15, 2005
Beds in Minnesota	1,305, as of March 15, 2005
MDH Facility License	Boarding care home (Minn. Rules, parts 4655.0090 to 4655.9342 and 4660.0090 to 4660.9940; Minn. Stat. §§ 144A.01 to 144A.10; 144A.11; 144A.115)
DHS Program License	None required
MA Certification	Nursing facility (NF)
Reimbursement	Room and board, and services: MA or private pay
Provisions Governing Reimbursement	<p>Rule 50, <i>Nursing facility payment rates</i> (Minn. Rules parts 9549.0010 to 9549.0080; Minn. Stat. §§ 256B.41 to 256B.48, 256B.50, 256B.502)</p> <p>Minnesota Statutes, section 256B.434, establishes the contractual alternative payment demonstration project, an alternative to reimbursement under Rule 50. Minnesota Statutes, section 256B.441, requires a five-year phase-in of a new value-based nursing facility reimbursement system, beginning October 1, 2007.</p>
Special Notes	<p>Most certified boarding care homes in Minnesota function as nursing homes; they provide the same services as nursing homes and are considered “nursing facilities” for purposes of MA reimbursement. They are called “certified” because they are certified to participate in the MA program. However, MDH licensure standards for these facilities are less stringent than those for nursing homes, and certified boarding care homes do not meet the skilled nursing facility criteria that would allow them to receive Medicare reimbursement.</p>

Noncertified Boarding Care Homes

Services	Provide personal or custodial care, such as assistance with eating and grooming and supervision of self-administered medication. Nursing services are not required but are usually provided.
Client Eligibility	Serve five or more elderly, physically disabled, or mentally ill persons
Facilities in Minnesota	16, as of March 4, 2005
Beds in Minnesota	3,278, as of March 4, 2005
MDH Facility License	Boarding care home (Minn. Rules, parts 4655.0090 to 4655.9342 and 4660.0090 to 4660.9940; Minn. Stat. §§ 144A.01 to 144A.10; 144A.11; 144A.115)
DHS Program License	None required. Some facilities have Rule 36, <i>Residential programs for adult mentally ill persons</i> (Minn. Rules parts 9520.0500 to 9520.0670; Minn. Stat. chapter 245A) ⁴
MA Certification	None
Reimbursement	Room and board: Group Residential Housing (GRH) ⁵ or private pay Services: Rule 12 or private pay
Provisions Governing Reimbursement	The facilities with Rule 36 licenses, <i>Residential programs for adult mentally ill persons</i> (Minn. Rules parts 9520.0500 to 9520.0670; Minn. Stat. ch. 245A), may receive state grants for programs through Rule 12, <i>Residential services for adult mentally ill persons</i> (Minn. Rules parts 9535.2000 to 9535.3000; Minn. Stat. § 245.73) Room and board may be paid for under GRH (Minn. Stat. ch. 256I). As of June 2005, 10 facilities had GRH rate agreements with county agencies.

⁴ MA classifies noncertified boarding care homes with Rule 36 licensure as Institutions for Mental Diseases (IMDs) and does not reimburse for services provided in these facilities.

⁵ Refer to the glossary for short descriptions of the programs and services referred to in the text.

Special Notes Noncertified boarding care homes are not certified for participation in the MA program. Residents of these facilities are also ineligible to receive home and community-based waiver services and home care services because these facilities are licensed by MDH and are considered institutional or health care facilities.⁶

Supervised Living Facilities (SLFs)

Intermediate Care Facilities for Persons with Mental Retardation or Related Conditions (ICFs/MR)

Services	Provide supervision, counseling, and DHS-licensed habilitative or rehabilitative program services
Client Eligibility	Serve five or more developmentally disabled clients
Facilities in Minnesota	217, as of March 15, 2005
Beds in Minnesota	2,026, as of March 15, 2005
MDH Facility License	Supervised living facility (Minn. Rules parts 4665.0100 to 4665.9900; Minn. Stat. § 144.56)
DHS Program License	Chapter 245B, <i>Residential programs for persons with mental retardation or related conditions</i> (Minn. Stat § 252.28, subd. 2; ch. 245A and 245B) is required
MA Certification	Intermediate care facility for persons with mental retardation (ICF/MR)
Reimbursement	Room and board, and services: MA or private pay
Provisions Governing Reimbursement	Rule 53, <i>Determination of payment rates for intermediate care facilities for persons with mental retardation</i> (Minn. Rules parts 9553.0010 to 9553.0080; Minn. Stat. § 256B.501)

⁶ MDH also classifies nursing homes, certified boarding care homes, and supervised living facilities as institutional or health care facilities. Residents of these facilities are also ineligible to receive home and community-based waiver services and home care services.

Group Homes

Services	Provide supervision, counseling, and DHS-licensed habilitative or rehabilitative program services
Client Eligibility	May serve five or more clients who are chemically dependent, mentally ill adults, physically disabled, or developmentally disabled
Facilities in Minnesota	112 facilities, as of March 15, 2005
Beds in Minnesota	3,484 beds, as of March 15, 2005
MDH Facility License	Supervised living facility (Minn. Rules parts 4665.0100 to 4665.9900; Minn. Stat. § 144.56)
DHS Program License	Depending on the population served, the facility must have at least one of the following: <i>Chapter 245B, Residential programs for persons with mental retardation or related conditions</i> (Minn. Stat. ch. 245A and 245B; Minn. Stat. § 252.28, subd. 2) <i>Rule 32, Licensure of chemical dependency rehabilitation programs</i> (Minn. Rules parts 9530.7000 to 9530.7031; Minn. Stat. ch. 245A) <i>Rule 36, Residential programs for adult mentally ill persons</i> (Minn. Rules parts 9520.0500 to 9520.0670, Minn. Stat. ch. 245A) <i>Rule 80, Residential programs and services for physically handicapped</i> (Minn. Rules parts 9570.2000 to 9570.3400; Minn. Stat. ch. 245A)
MA Certification	None
Reimbursement	Room and board: GRH or private pay Services: Rule 12, Rule 25, or private pay
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I) Depending on the population served, DHS program services may be funded under: <i>Rule 12, Residential services for adult mentally ill persons</i> (Minn. Rules parts 9535.2000 to 9535.3000; Minn. Stat. § 245.73) for persons with mental illness; or <i>Rule 25, Chemical dependency care for public assistance recipients</i> (Minn. Rules parts 9530.6600 to 9530.6660; Minn. Stat. §§ 254A.03; 254B.03) for persons who are chemically dependent

Special Notes As of March 3, 2005, SLFs had the following program licenses:

Chapter 245B: 17 facilities, not certified as ICFs/MR
Rule 31: 48 facilities
Rule 32: 25 facilities
Rule 36: 24 facilities
Rule 80: 4 facilities

Housing With Services Establishments

Services	Provide one or more health-related or two or more supportive services. Examples of health-related services are professional nursing services and administration of medication. Examples of supportive services are assistance with personal laundry and arranging transportation to social service appointments.
Client Eligibility	Serve primarily the elderly
Providers in Minnesota	988, as of March 15, 2005
Beds in Minnesota	Not available. MDH reports that 35,612 residents were served in housing with services establishments as of March 4, 2005.
MDH Facility License	Housing with services registration (Minn. Stat. ch. 144D) and any other required facility license, such as a board and lodging license or an adult foster care license
MA Certification	None
DHS Program License	None required
Reimbursement	Room and board: GRH or private pay Services: MA, MA waivers, Alternative Care (AC) program, or private pay
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I) If the person is eligible for MA, services may be paid for under home health services (Minn. Rules parts 9505.0290 to 9505.0297; Minn. Stat. § 256B.04) Services may also be paid for under MA through the following waived services programs: <ul style="list-style-type: none">▪ Alternative community-based services (ACS) waiver, Minn. Rules parts 9525.1800 to 9525.1930

- Elderly waiver (EW), Minn. Stat. § 256B.0915
- Community alternatives for disabled individuals (CADI) waiver, Minn. Stat. § 256B.49
- Home and community-based waiver for persons with mental retardation and related conditions (MR/RC), Minn. Rules parts 9525.1800 to 9525.1930
- Traumatic brain injury (TBI) waiver, Minn. Stat. § 256B.093

The AC program may pay for services (Minn. Stat. § 256B.0913)

Special Notes

Any setting that provides housing, one or more health-related or two or more supportive services for a fee, and serves an elderly population (80 percent age 55 and older) must register with MDH as a housing with services establishment under Minnesota Statutes, chapter 144D. A setting that meets all other criteria for a housing with services establishment, except that fewer than 80 percent of its residents are age 55 or older, may opt to register as a housing with services establishment.

Facilities that may register as housing with services establishments include board and lodging facilities with special services, corporate adult foster care homes, and assisted living settings. Registration as a housing with services establishment is in addition to, not a replacement for, any other required license.

Housing with services establishments that provide health-related services are required to obtain the appropriate home care provider license from MDH, or to contract with a licensed home care provider for services. Since August 2, 1999, housing with services establishments have had the option of being licensed by MDH as assisted living home care providers. (Refer to home care services section on page 18.)

As of March 4, 2005, the following MDH home care licenses are held by housing with services establishments:

Assisted living home care provider:	357
Class A professional home care agency:	28
Class E assisted living program:	5
Hold no home care license:	614

Board and Lodging Facilities With Special Services

Services	Provide supportive or health supervision services such as assisting with preparation and administration of certain medications and assisting with dressing, grooming, and bathing
Client Eligibility	Serve five or more regular boarders who need special services (i.e., are frail elderly, mentally ill, developmentally disabled, or chemically dependent)
Facilities in Minnesota	118, as of September 22, 2005
Beds in Minnesota	Not available
MDH Facility License	Board and lodging (Minn. Rules parts 4625.0100 to 4625.2355; Minn. Stat. §§ 144.12, subs. 1 and 3, 157.011 to 157.22, 327.10 to 327.131, 327.70 to 327.76) If the facility provides one or more health-related services or two or more supportive services for a fee, to an elderly population (at least 80 percent age 55 and older), it must also register as a housing with services establishment under Minnesota Statutes, chapter 144D, and must obtain an assisted living home care provider license or another appropriate home care provider license.
DHS Program License	None required. It is rare for a board and lodging facility with special services to have a DHS program license.
MA Certification	None
Reimbursement	Room and board: GRH or private pay Services: Rule 12, Rule 25, MA, MA waivers, AC program, or private pay
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I) Depending on the population served, DHS program services may be funded under: Rule 12, <i>Residential services for adult mentally ill persons</i> (Minn. Rules parts 9535.2000 to 9535.3000; Minn. Stat. § 245.73) for persons with mental illness; or Rule 25, <i>Chemical dependency care for public assistance recipients</i> (Minn. Rules parts 9530.6600 to 9530.6660; Minn. Stat. §§ 254A.03 and 254B.03) for persons who are chemically dependent If the person is eligible for MA, services may be paid for under home health services (Minn. Rules parts 9505.0290 to 9505.0297;

Minn. Stat. § 256B.04)

Services may also be paid for under MA through the following waived services programs:⁷

- Alternative community-based services (ACS) waiver, Minn. Rules parts 9525.1800 to 9525.1930
- Elderly waiver (EW), Minn. Stat. § 256B.0915
- Community alternatives for disabled individuals (CADI) waiver, Minn. Stat. § 256B.49
- Traumatic brain injury (TBI) waiver, Minn. Stat. § 256B.093

The AC program may pay for services (Minn. Stat. § 256B.0913)

Board and Lodging Facilities

Services	Room and board only
Client Eligibility	Clients vary
Facilities in Minnesota	Not available ⁸
Beds in Minnesota	Not available ⁹
MDH Facility License	Board and lodging (Minn. Rules parts 4625.0100 to 4625.2355; Minn. Stat. §§ 144.12, subs.1 and 3, 157.011 to 157.22, 327.10 to 327.76)
DHS Program License	None required. Depending on the population served, a facility may be licensed under: <i>Children's Residential Facility Rule</i> (Minn. Rules, parts 2960.0010 to 2960.3340)

⁷ In addition, the home and community-based waiver for persons with mental retardation and related conditions (MR/RC) provides services to a small number of residents who were transferred from the semi-independent living services (SILS) program to the MR/RC waiver in the early 1990s, but allowed to remain in a board and lodging facility with special services (Laws 1993, 1st spec. sess., ch. 1, art. 1, § 2, subd. 3).

⁸ An accurate number of board and lodging facilities that are not "board and lodging facilities with special services" and are not registered as a "housing with services establishment" is not available. The state licenses board and lodging facilities in 41 counties. The remaining 46 counties in Minnesota have delegated programs and these facilities are licensed at the local level.

⁹ The board and lodging license is an MDH license, but is not an MDH health care facility license (also see footnote 6 on page 7). Board and lodging facilities are not licensed by the number of beds, as health care facilities are, but are instead licensed by the number of rooms.

Rule 32, *Licensure of chemical dependency rehabilitation programs* (Minn. Rules parts 9530.7000 to 9530.7031; Minn. Stat. ch. 245A);
or

Rule 36, *Residential programs for adult mentally ill persons* (Minn. Rules parts 9520.0500 to 9520.0670; Minn. Stat. ch. 245A).

MA Certification	Children's Residential Facility Rule programs
Reimbursement	Room and board: GRH or private pay, Title IV-E for Children's Residential Facility Rule programs
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I). Children's residential facility rule programs may receive federal funding through Title IV-E of the Social Security Act (federal payments for foster care and adoption assistance).
Special notes	<p>A wide range of facilities have board and lodging licenses. Facility types include rooming houses, private-pay-only senior housing establishments, and hotels.</p> <p>As of September 27, 2005, there were 44 Rule 36 programs with a total bed capacity of 1,130.</p> <p>As of September 27, 2005, there were 95 children's residential facilities (formerly Rule 5 and Rule 8) with a total bed capacity of 1,399.</p>

Adult Foster Care Homes

Services	Provide supervision; household services, such as teaching or assisting with cooking, cleaning, and budgeting; home health services, including medically necessary services ordered by a physician; and personal care
Client Eligibility	Serve one to four people (five, if all persons in care are age 55 or over and do not have a serious and persistent mental illness or a developmental disability) who are unable to live alone or independently due to a developmental or physical disability or some other functional impairment
Facilities in Minnesota	4,273 facilities, as of March 3, 2005
Beds in Minnesota	14,883 beds, as of March 3, 2005
MDH Facility License	If a corporate adult foster care facility provides one or more health-related services or two or more supportive services for a fee to an

elderly population (at least 80 percent age 55 and older), it must register as a housing with services establishment under Minnesota Statutes, chapter 144D, and must obtain an assisted living home care provider license or another appropriate home care license.¹⁰

DHS Program License	Rule 203, <i>Administration of adult foster care services and licensure of adult foster care homes</i> (Minn. Rules parts 9555.5050 to 9555.6265; Minn. Stat. §§ 245A.09, 256B.092) is required.
MA Certification	None
Reimbursement	Room and board: GRH or private pay Services: MA, MA waivers, AC program, or private pay
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I) If the person is eligible for MA, services may be paid for under home health services (Minn. Rules parts 9505.0290 to 9505.0297; Minn. Stat. § 256B.04) MA pays for services through the following home and community-based waiver programs: <ul style="list-style-type: none">▪ Alternative community-based services (ACS) waiver, Minn. Rules parts 9525.1800 to 9525.1930▪ Elderly waiver (EW), Minn. Stat. § 256B.0915▪ Community alternative care (CAC) waiver, Minn. Stat. § 256B.49▪ Community alternatives for disabled individuals (CADI) waiver, Minn. Stat. § 256B.49▪ Home and community-based waiver for persons with mental retardation and related conditions (MR/RC), Minn. Rules parts 9525.1800 to 9525.1930▪ Traumatic brain injury (TBI) waiver, Minn. Stat. § 256B.093 The AC program may pay for services (Minn. Stat. § 256B.0913)

¹⁰ Family adult foster care homes are exempt from this requirement.

Special Notes

Adult foster care homes may be either family adult or corporate adult foster care. A family adult foster care home is a facility that is the primary residence of the license holder and in which the license holder is the primary caregiver. A corporate adult foster care home is not the primary residence of the license holder, and the license holder need not be the primary caregiver. Many corporate adult foster care homes serve developmentally disabled residents.

Part 2: Support Services

Assisted Living

Services	Services provided vary. They may include, but are not limited to, provision of the following services to clients who reside in apartment buildings and other residential settings: daily meals, supportive services, health-related services, and oversight.
Client Eligibility	Clients generally need help with activities of daily living (such as eating, bathing, and dressing)
Facilities in Minnesota	Not available ¹¹
Beds in Minnesota	Not available
MDH Service License	None required. If the setting provides one or more health-related services, it must obtain a class A professional home care agency license or a class E assisted living programs home care license. If the setting provides one or more health-related services or two or more supportive services for a fee to an elderly population (at least 80 percent age 55 and older), it must also register as a housing with services establishment under Minnesota Statutes, chapter 144D and obtain an assisted living home care license or another appropriate home care provider license.
DHS Program License	None required
Reimbursement	Room and board: GRH or private pay Services: MA waivers, AC program, or private pay
Provisions Governing Reimbursement	Room and board may be paid for under GRH (Minn. Stat. ch. 256I) MA may pay for services through the following home and community-based waiver programs: <ul style="list-style-type: none">▪ Elderly waiver (EW), Minn. Stat. § 256B.0915▪ Community alternatives for disabled individuals (CADI), Minn. Stat. § 256B.49

¹¹ Most assisted living services in Minnesota are provided in facilities registered as housing with services establishments. Some elderly persons receive assisted living services in family adult foster care homes; these facilities are exempt from housing with services registration.

- Community alternative care program (CAC), Minn. Stat. § 256B.49
- Traumatic brain injury (TBI) waiver, Minn. Stat. § 256B.093

The AC program may pay for services (Minn. Stat. § 256B.0913)

Special Notes

There is no standard definition of “assisted living.” DHS has defined “assisted living” for purposes of the alternative care and home and community-based waiver program. MDH has a definition for purposes of the class E assisted living programs license. However, the term is often used more broadly by the general public.

Housing with services establishments (see page 9) that provide health-related services have the option of obtaining an assisted living home care provider license that is different from the current class E assisted living programs license. The housing with services statute defines assisted living “for purposes of consistency with terminology commonly used in long-term care insurance policies” (Minn. Stat. § 144D.015).

Home Care Services

Services	Home care providers and private duty nurses provide skilled nursing, personal care services, rehabilitative therapy, and other health-related services necessary for clients to live independently
Client Eligibility	Clients typically are physically disabled, developmentally disabled, or mentally ill
Providers in Minnesota	1,195, as of March 15, 2005
Beds in Minnesota	Not applicable
MDH Service License	Home care licensure (Minn. Rules parts 4668.0002 to 4668.0870; Minn. Stat. §§ 144A.45 to 144A.47) is required. Classes of home care licenses include the following: Class A: professional home care agency license for providers of all home care services; 572 licenses as of March 15, 2005 Class B: paraprofessional agency license for providers of home care aide tasks and home management tasks; 20 licenses as of March 15, 2005 Class C: individual paraprofessional license for providers of home health aide, home care aide, and home management tasks; 63

licenses as of March 15, 2005

Class E: assisted living programs license for providers of assisted living services to residents of a residential center; 5 licenses as of March 15, 2005

Home management: registration for providers performing only home management services; 79 licenses as of March 15, 2005

Assisted living home care provider license: category of home care licensure for providers of nursing services, delegated nursing services, other services performed by unlicensed personnel, or central storage of medications, solely for residents of one or more housing with services establishments; 438 licenses as of March 15, 2005

DHS Program License

None required. MA requirements for home care providers are specified in Minnesota Statutes, sections 256B.0625, 256B.0627, and 256B.071.

Reimbursement

Services: Medicare, MA, MA waivers, AC program, or private pay

Provisions Governing Reimbursement

MA may pay for services as a regular covered service if provided by Medicare-certified class A providers, personal care provider organizations, some independently enrolled personal care assistants, and private duty nursing providers.

MA may also pay for services through the following home and community-based waiver programs:

- Alternative community-based services (ACS) waiver, Minn. Rules parts 9525.1800 to 9525.1930
- Elderly waiver (EW), Minn. Stat. § 256B.0915
- Community alternative care (CAC) waiver, Minn. Stat. § 256B.49
- Community alternatives for disabled individuals (CADI) waiver, Minn. Stat. § 256B.49
- Home and community-based waiver for persons with mental retardation and related conditions (MR/RC), Minn. Rules parts 9525.1800 to 9525.1930
- Traumatic brain injury (TBI) waiver, Minn. Stat. § 256B.093

The AC program may pay for services (Minn. Stat. § 256B.0913)

Special Notes

PCA Services: Providers of personal care assistant services are currently exempt from MDH licensure. In 1997, the legislature required the Commissioner of Health to develop licensure standards for personal care assistants serving more than one person and submit the proposed rule to the legislature by January 15, 1999. The licensure proposal that emerged did not receive support during the executive branch budgeting process, and no proposed rules were submitted to the legislature.

Hospice Provider Licensure: In 2002 legislation was enacted to separate hospice provider licensure from home care provider licensure. Hospice providers are licensed under a separate licensure system administered by MDH (Minn. Rules, parts 4664.0002 to 4664.0550 and Minn. Stat. § 144A.752). As of March 15, 2005, there were 1,021 licensed hospice facilities.

Semi-Independent Living Services (SILS)

Services	Provide supportive services that may include budgeting, meal preparation, shopping, counseling, and related services needed to maintain and improve the client's functioning. Services are provided in the client's home, apartment, foster home, or board and lodging facility.
Client Eligibility	Services are provided to persons with mental retardation or related conditions whose dependency requires services above the level of board and lodging but who do not need 24-hour-per-day care or supervision. Clients cannot be at risk for ICF/MR placement.
Facilities in Minnesota	123 agency licenses, as of March 2005
Beds in Minnesota	Not applicable
MDH Service License	None
DHS Program License	Chapter 245B, <i>Semi-independent living services</i> (Minn. Stat. ch. 245B and §§ 245A.09, 252.28) is required
Reimbursement	Services: State allocation, county contributions, or private pay
Provisions Governing Reimbursement	SILS are reimbursed by a state allocation authorized by the legislature: <i>Semi-independent living services for persons with mental retardation or related conditions</i> (Minn. Stat. § 252.275)

Part 3: Appendices and Glossary

Appendix A

Facility and Service Regulation Minnesota Department of Health Rules 2005 and Minnesota Statutes 2004

Facility	Minnesota Rule Parts	Minnesota Statutes
Nursing Homes	4658.0010 to 4658.5590	§§ 144A.01 to 144A.10; 144A.11; 144A.115
Boarding Care Homes	4655.0090 to 4655.9342 4660.0090 to 4660.9940	§§ 144.56; 144A.01 to 144A.10; 144A.11; 144A.115
Supervised Living Facilities	4665.0100 to 4665.9900	§ 144.56
Board and Lodging Facilities	4625.0100 to 4625.2355	§§ 144.12, subds. 1 and 3; 157.011 to 157.22; 327.10 to 327.131; 327.70 to 327.76
Home Care Providers	4668.0002 to 4668.0870 4669.0001 to 4669.0050	§§ 144A.45 to 144A.47
Hospice Providers	4664.0002 to 4664.0050 9505.0446	§§ 144A.75 to 144A.756

Appendix B

**Facility and Service Regulation
 Minnesota Department of Human Services
 Rules 2005 and Minnesota Statutes 2004**

Common Name	Title	Description	MN Rules Parts	Minnesota Statutes
Children's Residential Facility Rule	Licensure and certification of certain programs for children	Licensure rule governing operation of residential care and treatment programs serving children or detention or foster care services for out-of-home placement	2960.0010 to 2960.0710	
Rule 12	Residential services for adult mentally ill persons	Rule for administering program grants to Rule 36 facilities	9535.2000 to 9535.3000	§ 245.73
Chapter 245B	Semi-independent living services	Rule governing eligibility, program services, and administration of SILS	9525.0900 to 9525.0996	Chapters 245A, 245B; §§ 252.275; 252.28
	Group residential housing rate	Administration of group residential housing	2960.0130 to 2960.0220	Chapter 256I
	Licensure of residential programs for persons with mental retardation or related conditions	Governs operation of residential programs and services for persons with mental retardation	9525.0935	Chapters 245A, 245B; §§ 252.275; 252.28, subd. 2
	Licenses; residential-based habilitation services	Governs operation of residential-based habilitation services for persons with mental retardation or related conditions	9525.0900 to 9525.0935	Chapters 245A, 245B; §§ 252.28; 252A.03; 256B.092
Rule 24	Consolidated chemical dependency treatment fund	Rule governing payments under the chemical dependency consolidated treatment fund	9530.6800 to 9530.7031	§ 254B.03, subd. 5
Rule 25	Chemical dependency care for public assistance recipients	Rule governing eligibility criteria for public assistance recipients to receive chemical dependency treatment	9530.6600 to 9530.6660	§§ 254A.03; 254B.03

Common Name	Title	Description	MN Rules Parts	Minnesota Statutes
Rule 32	Licensure of chemical dependency rehabilitation programs	Governs operation of residential programs for chemically dependent persons funded through the Consolidated Chemical Dependency Treatment Fund	9530.7000 to 9530.7031	§ 254B.03
Rule 36	Licensing residential programs for adult mentally ill persons	Governs operation of residential programs for adult mentally ill persons funded by Rule 12	9520.0500 to 9520.0670	Chapter 245A
Rule 50	Nursing facility payment rates	Governs payment rates for nursing homes	9549.0010 to 9549.0080	§§ 256B.41 to 256B.48; 256B.50; 256B.502
Rule 53	Determination of payment rates for intermediate care facilities for persons with mental retardation	Governs payment rates for ICFs/MR	9553.0010 to 9553.0080	§ 256B.501
	Alternative care grant program	Standards and long-term care consultation services procedures for the alternative care grant program	NA	§ 256B.0913
Rule 80	Residential programs and services for physically handicapped	Governs the operation of residential programs for physically handicapped persons	9570.2000 to 9570.3400	Chapter 245A
Rule 203	Adult foster care services and licensure of adult foster homes	Governs the administration of adult foster care services and licensure of adult foster care homes	9555.5050 to 9555.6265	Chapter 245A; § 256B.092

Glossary

Alternative Care (AC) program is a state-funded program that provides health care and supportive services to individuals age 65 or older who are at risk of nursing home placement. These services are intended to allow these individuals to remain in the community. In order to qualify for AC services, individuals must be eligible to receive MA within 135 days of admission to a nursing home.

Assisted living services, as defined by MDH for purposes of the class E assisted living home care license, means individualized home care aide tasks or home management tasks provided to clients of a residential center in their living units, and provided either by the management of the residential center or by providers under contract with the management. (Minn. Rules part 4668.0003, subp. 3 (2005)).

Group residential housing (GRH) program provides funding to eligible persons to pay for room and board and other related housing services. The GRH program replaced what was referred to as the “negotiated rate” payment system. GRH payments are made out of the GRH fund, which is comprised of General Assistance (GA) and Minnesota Supplemental Aid (MSA) funding that had previously been used to provide funding to negotiated rate facilities.

Health-related services, as they are provided in housing with services establishments, include professional nursing services, home health aide tasks, home care aide tasks, and the central storage of medication for residents. (Minn. Stat. § 144D.01, subd. 6 (2004))

Health supervision services, as they are provided in board and lodging facilities and board and lodging facilities with special services, means assistance in the preparation and administration of medications other than injectables; the provision of therapeutic diets; taking vital signs; and providing assistance with dressing, grooming, bathing, or with walking devices. (Minn. Stat. § 157.17, subd. 1 (2004))

Home care aide tasks include preparing modified diets; reminding clients to take medication or to perform exercises; doing household chores in certain circumstances; and assisting with dressing, oral hygiene, hair care, grooming, and bathing in certain circumstances. (Minn. Rules part 4668.0110, subp. 1 (2005))

Home care services include nursing, certain personal care services, physical therapy, speech therapy, respiratory therapy, occupational therapy, nutritional services, home management services, medical social services, provision of medical supplies and equipment, and other health-related services. (Minn. Stat. § 144A.43, subd. 3 (2004))

Home health aide tasks include the administration of medication; routine, delegated medical or nursing or assigned therapy procedures; assisting with body positioning and transfers; feeding of clients; assisting with bowel and bladder control, devices, and training; assisting with certain exercises; skin care and bathing; and maintaining hygiene of the client’s body and environment. (Minn. Rules part 4668.0100, subp. 1 (2005))

Home health services means medically necessary services that are ordered by a physician; are in a documented plan of care; and are provided at the recipient's place of residence that is a place other than a hospital or long-term care facility. (Minn. Rules part 9505.0295 (2005))

Home management services include at least two of the following services: housekeeping, meal preparation, and shopping. (Minn. Stat. § 144A.43, subd. 3, cl. 8 (2004))

Home management tasks means all home management services that are not home health aide or home care aide tasks. (Minn. Rules part 4668.0003, subp. 14 (2005))

Household services include activities taught to or performed by a caregiver for a resident, such as cooking, cleaning, budgeting, and other household care and maintenance tasks. (Minn. Rules part 9555.5105, subp. 17 (2005))

Institutions for mental diseases (IMDs) are defined as facilities of 16 or more beds in which a majority of residents are age 22 to 64 and have diagnoses of mental illness. Many supervised living facilities (SLFs) serving persons with mental illness are classified as IMDs.

Medical Assistance (MA) is a state-federal program that pays for health care services for children, families, the elderly, and disabled persons who meet categorical eligibility requirements and have income and assets below certain levels set by the Commissioner of Human Services. The federal government pays for 50 percent of the cost of services, and the state pays for the remaining 50 percent.

Medical Assistance (MA) certification indicates whether the facility type qualifies for MA reimbursement. Of the facility types listed, MA pays for services only in nursing facilities and ICFs/MR. MA does not pay for services provided in institutions for mental diseases (IMDs).

Medicare is a federal program that provides health care coverage for elderly and disabled persons. Medicare enrollees do not need to meet income and asset standards; instead, enrollees qualify on the basis of employment history or disability. Medicare provides only limited coverage for nursing home care.

Nursing care means health evaluation and treatment of patients and residents who do not need to be in an acute care facility but who do need nursing supervision on an inpatient basis. (Minn. Stat. § 144A.01, subd. 6 (2004))

Personal care means assistance by a caregiver with or teaching of skills related to activities of daily living such as eating, grooming, bathing, and laundry. (Minn. Rules part 9555.5105, subp. 28 (2005))

Personal or custodial care means board, room, laundry, personal services, and supervision over medication that can be safely self-administered, plus a program of activities and supervision required by persons who are not capable of properly caring for themselves. (Minn. Rules part 4655.0100, subp. 3 (2005))

Private pay includes all nongovernmental payment sources, such as private insurance coverage and paying out-of-pocket.

Semi-independent living services (SILS) means training and assistance with managing money, meal preparation, shopping, maintaining personal appearance, and other activities needed to maintain the ability of adults with mental retardation or a related condition to live in the community. (Minn. Stat. § 245B.02, subd. 23 (2004))

Supportive services means help with personal laundry; handling or assisting with personal funds of residents; or arranging for medical services, health-related services, social services, or transportation to medical or social services appointments. Arranging for services does not include making referrals, assisting residents in contacting a service provider, or contacting a service provider in an emergency. (Minn. Stat. § 144D.01, subd. 5 (2004))

Title IV-E of the Social Security Act authorizes federal funding to states for foster care and adoption assistance. The law provides financial incentives for states to reduce the number of inappropriate and lengthy out-of-home placements and sets various program and state plan requirements.

Waivered services programs provide health care and supportive services to MA enrollees, in order to allow these enrollees to live in the community rather than in a hospital, nursing home, or ICF/MR. MA waiver programs are able to provide services not normally covered by the regular MA program, due to the “waiver” by the federal government of certain laws and rules. Minnesota operates the following waived service programs:

- Alternative community-based services (ACS) waiver for persons with mental retardation or related conditions who are residing in a nursing home prior to receipt of waived services and who are at risk of ICF/MR placement.
- Elderly waiver (EW) for persons age 65 or older at risk of nursing home placement.
- Community alternative care (CAC) waiver for persons under age 65 at the time of initial eligibility who are in a hospital prior to receipt of waived services or are at risk of inpatient hospital care.
- Community alternatives for disabled individuals (CADI) waiver for persons under age 65 at the time of initial eligibility who are certified as disabled.
- Home and community-based waiver for persons with mental retardation and related conditions (MR/RC) for persons with mental retardation or related conditions at risk of ICF/MR placement.
- Traumatic brain injury (TBI) waiver for persons under age 65 at the time of initial eligibility who are diagnosed with traumatic or acquired brain injury and are at risk of nursing home or neurobehavioral hospital-level of care.

For more information about health and human services facilities, visit the health and human services area of our web site, www.house.mn/hrd/issinfo/hlt_hum.htm.