Minnesota Board of Examiners for Nursing Home Administrators

Report to the Legislature in Compliance with Minnesota Statutes Section 3D.06 (Sunset Review)

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Executive Director

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Pursuant to Minnesota Statute 3.197, the estimated cost of preparing this report is $1450.00.

INTRODUCTION

As Executive Director, on behalf of the Board Chair and board members of the Minnesota Board of Examiners for Nursing Home Administrators, (BENHA), I am submitting this report to the Legislature in compliance with Minnesota Statutes §3D.06. That section requires the chief administrative officer of a state agency that is subject to sunset review to report to the Sunset Commission:

(1) information regarding the application to the agency of the criteria in section 3D.10;
(2) a priority-based budget for the agency;
(3) an inventory of all boards, commissions, committees, and other entities related to the agency; and
(4) any other information that the agency commissioner considers appropriate or that is requested by the commission.

Minnesota Board of Examiners for Nursing Home Administrators (BENHA)

Minnesota Licensed Nursing Home Administrator Statistics
(Previous Year: as of June 30, 2010)

Credentialing

Total Licensed:	851
Average Age of new LNHA	39.96
Current Average Age of LNHA	49.76

Education:

New licensees:	44
Acting Permits issued	10
Minnesota Accredited Centers of LTC Academics	7
State Jurisprudence Exam	62
Continuing Education Review and Approval	242

Investigations: Complaint Review

Total Complaints reviewed	78
Total complaints resolved	64
Percentage of Complaints resolved in <3 months	92%

As the only federally required health occupation board in Minnesota, the federal mandate requires a majority of board members be comprised of non-licensees. This board continues to influence leadership in creating quality environments for tomorrow's elder care continuum.

Members of the BENHA also served on various national (NAB) committees including the preparation of the national examination. The board continues to invest in the state approved colleges with programs which are recognized as Long Term Care Centers of Academic Excellence. Currently, six Minnesota colleges and the UW-Eau Claire carry national recognition for their work in creating leaders for new models of elder care throughout the upper Midwest and nationally.

The board takes seriously its role of ensuring leaders at the helm of Minnesota long term care centers are ethical and resident centered in their decision making practices. Continued investment to cultivate new leaders for tomorrow's service delivery remains critical, even more so as challenging economic environments requires enhanced leadership skills. Quality leadership creates efficient and effective communities that care for our state's aging population.

Section I. Key Functions, Powers, Duties, Mission

The mission, goals, and objectives intended for the Board and of the problem or need that the Board was intended to address and the extent to which the mission, goals, and objectives have been achieved and the problem or need has been addressed.

Mission

The mission of the Board of Examiners for Nursing Home Administrators is to promote the public's interest in quality care and effective services for residents of nursing facilities by ensuring that licensed administrators are qualified to perform their administrative duties.

The Board accomplishes its mission by:

1) setting and enforcing educational requirements and examination standards for licensure and administering a continuing education program to update and improve the knowledge and competency of licensed administrators; and
2) investigating complaints of substandard care or other alleged violations of statutes and rules and providing information and consultation and/or mandating compliance with regulations, holding educational and disciplinary conferences and taking legal action to suspend or revoke the licenses of administrators who fail to meet standards.

The Board's strategies and values include:

- Ensuring that educational standards for prospective licensees and continuing education for licensees are maintained.
- Licensing qualified individuals so that Minnesotans seeking to use their services will be able to identify those working in the field with skills necessary to provide services in compliance with Minnesota Statutes and Rules.
- Implementing disciplinary and compliance actions when licensees do not perform at a contemporary standard of practice.
- Educating the public on health-related professions, practitioners, and standards.

The Board was created in 1970 with national legislation requiring all skilled nursing facilities receiving Medicare and Medicaid funding through Title 18 and 19 to employ a licensed nursing home administrator in order for the state to receive and distribute federal funds to the facilities within each state or jurisdiction. Each state was allowed to create their own licensure requirements while all states utilize the national core competency examination for nursing home administrators offered by the National Association of Boards of Long Term Care Administrators (NAB). Minnesota does not license Assisted Living Administrators. Minnesota's requirements were nationally ranked as 14th for public protection in a research study by the State University of New York.

Board Members:

Board members are appointed by the Governor per Minnesota Statute §144A. 19

2 Licensed Nursing Home Administrators representing non-profit facilities *Term Expires*

- Kyle Nordine, Northfield Retirement Communities; Board Chair 1/7/13
- Jennifer Pfeffer, Ecumen-Pathstone Living, Mankato 1/7/14

2 Licensed Nursing Home Administrators representing for- profit facilities

- James Birchem, Eldercare, Little Falls; Vice Chair 1/2/12
- Thomas Pollock, Park River Estates Care Center, Coon Rapids; Secretary 1/5/15

1 Registered Nurse—Nancy Tuders, Mission Healthcare, Grand Rapids 1/5/15
1 Medical Doctor—Jane Pederson, Stratis Health (QIO), Woodbury 1/7/13

3 Public Members

- Ann Tagtmeyer, Business Owner, Active Community Volunteer, Mendota Heights
- Chandra Mehrotra, PhD, Professor of Gerontology, College of St. Scholastica, Duluth
- Christine Rice, Community Volunteer, Former Assistant Commissioner of Health, Lake Elmo

1 Representative of the Commissioner of Health, Ex-Officio—
Darcy Miner MDH, Director, Compliance Monitoring Division

1 Representative of the Commissioner of Human Services, Ex-Officio—
Robert Held, DHS, Director, Nursing Facility Rates and Policy (NFRP) Division

Board Committee Structure:

The board utilizes various committees to accomplish their goals. They include:

1. **Education - Academic Partnerships**

    a. Reviews requests from educational facilities for approval of long-term care courses/programs to meet Board coursework requirements
    b. Reviews requests from applicants for licensure to accept coursework as meeting Board rule requirements or to waive requirements based on experience as provided in rule
    c. Sets standards and policies regarding continuing education requirements and programs

2. **Standards of Practice**—Meets approximately every other month dependent on file review

    a. Reviews complaints concerning the practice of licensees for violations of Board statute and rules
    b. Conducts educational and disciplinary conferences with licensees
    c. Recommends disciplinary action for licensees to the full Board

3. **Examination Committee**
    a. Review pass/fail rate of examinees and establish target pass rates.
    b. Maintain sufficient number of examination bank questions.
    c. Maintain a minimum of three variant examinations.
    d. Review each question for statistical validity.

4. **Rules Committee**
    a. Maintain current, effective rules to administer the statutes
    b. Review rules and engage in rule writing when necessary
    c. Serve as legislative liaison.

Board Reimbursement:

Board members are very efficient in conducting their meetings under one per diem. By conducting up to three committee and board meetings in one day, they are traveling three hours before an 8:30 AM committee meeting to save expense, a true commitment to their profession and public safety. Total annual per diem is less than $3000.00 for the year. The board has countless unreimbursed public interactions outside of the routine meetings.

Board Strategic Plan and Annual Goal Setting:

The board provides agenda time for regular assessment of their current role, responsibilities and meeting contemporary standards. The board last conducted its Strategic Plan in 2007 with all goals and objectives presently met. The board has tentatively scheduled April, 2012 to begin their next Strategic Plan process delaying discussion until post sunset review. Annual evaluation of the Executive Director and board member self-evaluation is conducted as to the process of the board's operation and the desire for self-improvement. An annual CQI process is held in October of each year to review statistics relative to board operations and national trends. The CQI process tracks contemporary issues such as the aging licensee workforce, continuing education offerings, as found in Appendix A, B, and C of this document. An academic summit is held with the seven colleges approved by the MN-BENHA at least every three years to ensure practice standards are being taught with contemporary course objectives by the colleges. Minnesota BENHA is very involved with two of the nine nationally accredited colleges for long term care administrator education.

Board Restructuring:

With a pending retirement of another agency, BENHA leadership engaged in a business process opportunity with two other small boards. The goal was to determine if three autonomous boards could remain independent with subject matter experts while ensuring a workable organization structure with one Executive Director. The BENHA board is comprised of health care and business professionals astute in creating efficient, yet effective business practices.

Teaming with the Board of Optometry and the Board of Dietetics and Nutrition Practice, the Board of Examiners for Nursing Home Administrators entered into a two year interagency agreement on June 23, 2011. During this time frame, board business and best practices will be assessed from both a fiscal focus and service perspective. This assessment includes a Strengths, Weaknesses,

Opportunities and Threats assessment (SWOT) of the effect of implementing a delegated shared staffing model without losing the quality customer service the BENHA currently requires. The two Executive Directors preparing the board assessment interviewed key stakeholders, attempted to strategize all implications of one model that benefits not only the participating boards, but attempts to provide evidence to actual improved outcomes. The essential baseline was maintaining an autonomous citizen driven board structure.

The principles initially considered and directed the identified strengths and values of the current model:

- Maintain the individual board autonomy with dedicated customer service specialists while promoting maximum opportunity for the occupation/public blend to direct, control and manage the direction of the board.
- Respect for each unique, independent, occupation, and stakeholders of the occupational associations.
- Provide occupation-specific subject matter experts.
- Capitalize on efficiencies related to sharing human resources and cross training of staff, as well as auditing and control measures as defined by Minnesota Management and Budget and the Office of the Legislative Auditor.
- Create efficiency by shared executive administrative functions, with targeted staff being subject matter experts, with the Executive Director serving as Administrative Lead for overall governance. Promotes cross training of personnel for multiple taks
- Enable succession planning through cross training of skilled professionals, while encouraging growth and skill development.

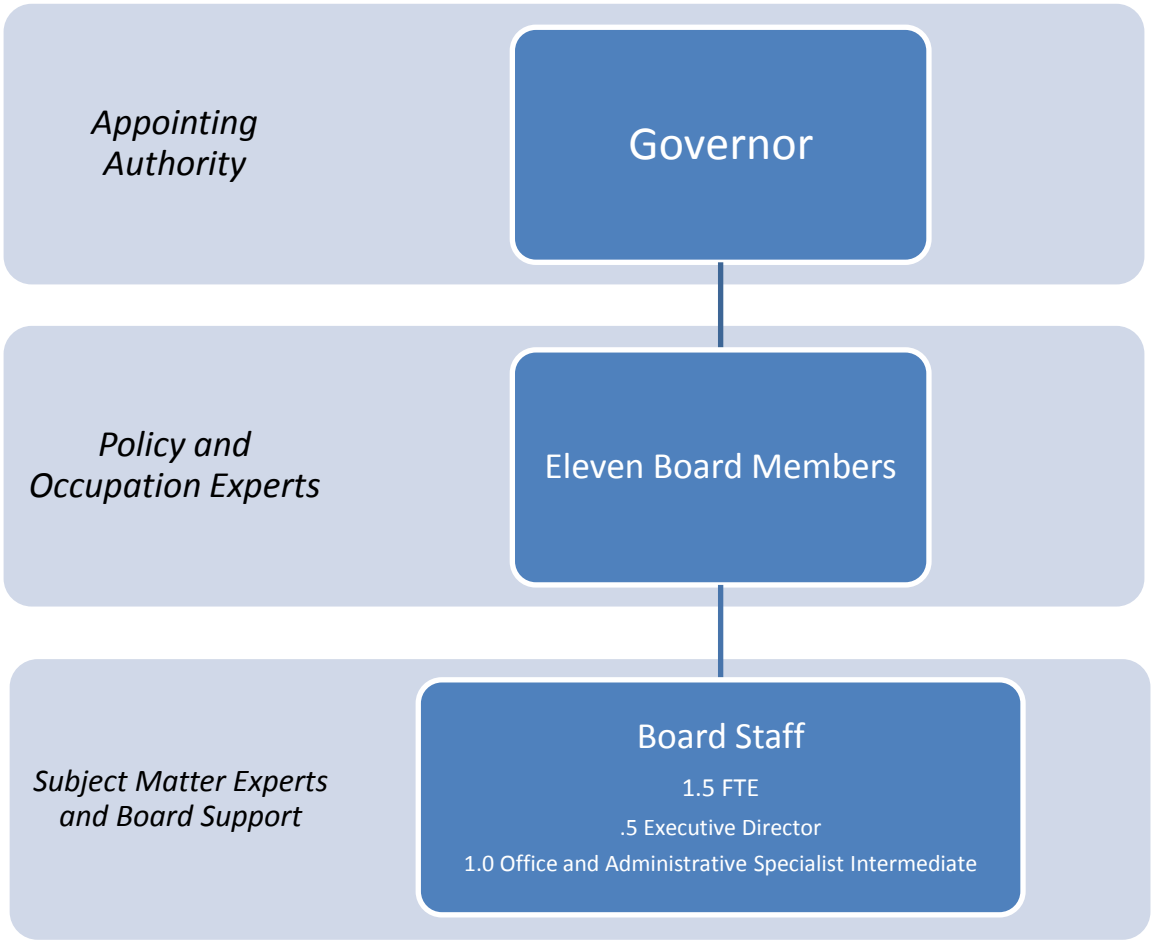
All Minnesota Health Occupational Licensing boards appear to operate efficiently, if measured by fees charged to the individual licensee on a national level. The small boards share resources to minimize expenses and labor expense such as the SBLM – Small Board Licensing Manager - software development program to minimize expenses. Some external observers may believe that larger or greater consolidation would create even greater economy of scale. However, in reviewing and discussing with other states those heavily consolidated models, they shared their desire to have the Minnesota model. This is due to the efficacy of the board stakeholder response; the ownership of the quality of service can be compromised when agencies become too large. There doesn't appear to be a significant cost savings for an individual board as all three boards are currently operationally efficient from the fees charged per national comparisons. It should also be made clear to policy makers that these three boards had greater similarities than differences to attempt this new model; combined with fewer licensee complaints of two boards, and their focus on legislative and stakeholder time commitment. It cannot be interpreted too broadly to work for other boards or simply based on number of licensees at this time.

Board Staff:

Randy Snyder, Executive Director
Jan Strum, Office and Administrative Specialist Intermediate

The current staffing model is a .50 FTE Executive Director and a 1.0 FTE for an Office and Administrative Specialist Intermediate. Since the board's inception in 1970, there has not been any increase in staffing; only a decrease of 25% in staffing hours occurring with recent staffing changes. The new staffing model is in month four of a 24-month assessment period to modify, retry and review all processes of this three board operation. Current board staff has consistently been rated at 9 (of 10) or higher for customer service and achieves the internal mandate of a customer inquiry response within 24 hours. Staff answers phones directly, without mechanical triage as many times callers are older Minnesotans who appreciate immediate, in-person assistance.

Board Organizational Chart



Board six year F.T.E. summary

Fiscal Year	2007	2008	2009	2010	2011	2012
FTE	2	2	2	2	2	1.5

Small Board Collaborative:

The seven smaller boards, includes the BENHA, and achieve an additional collaborative strategy through cooperation, such as sharing staff through interagency agreements, providing independent neutral review of complaint cases, and developed the SBLM IT data base and online services. The boards meet as needed to cooperate on mutual back office functions while maintaining front office subject matter experts to discuss licensing and credentialing pertinent to the occupation. Three of the boards employ an occupational licensee as their Executive Director which provides a strong occupational knowledge base and level of professional expertise to the citizens of the state.

Minnesota Health-Related Licensing Boards: Public Safety

The Minnesota Health-related Licensing Boards (HLBs) protect the public by:

- Enforcing standards of safe practice and ethical conduct;
- Investigating and resolving complaints against licensed health professionals;
- Providing public information to consumers of health care services;
- Ensuring an ethical and competent healthcare workforce

Cooperative Activities:

- Health Professionals Services Program (HPSP)

  Each health-related licensing board, including the emergency medical services regulatory board under chapter 144E, shall either conduct a health professionals services program under sections 214.31 to 214.37 or contract for a diversion program under section 214.28.

  At present, all Health Licensing Boards, the Emergency Medical Services Regulatory Board, and additional professions regulated by the Department of Health, participate in HPSP.

- Voluntary Health Care Provider Program

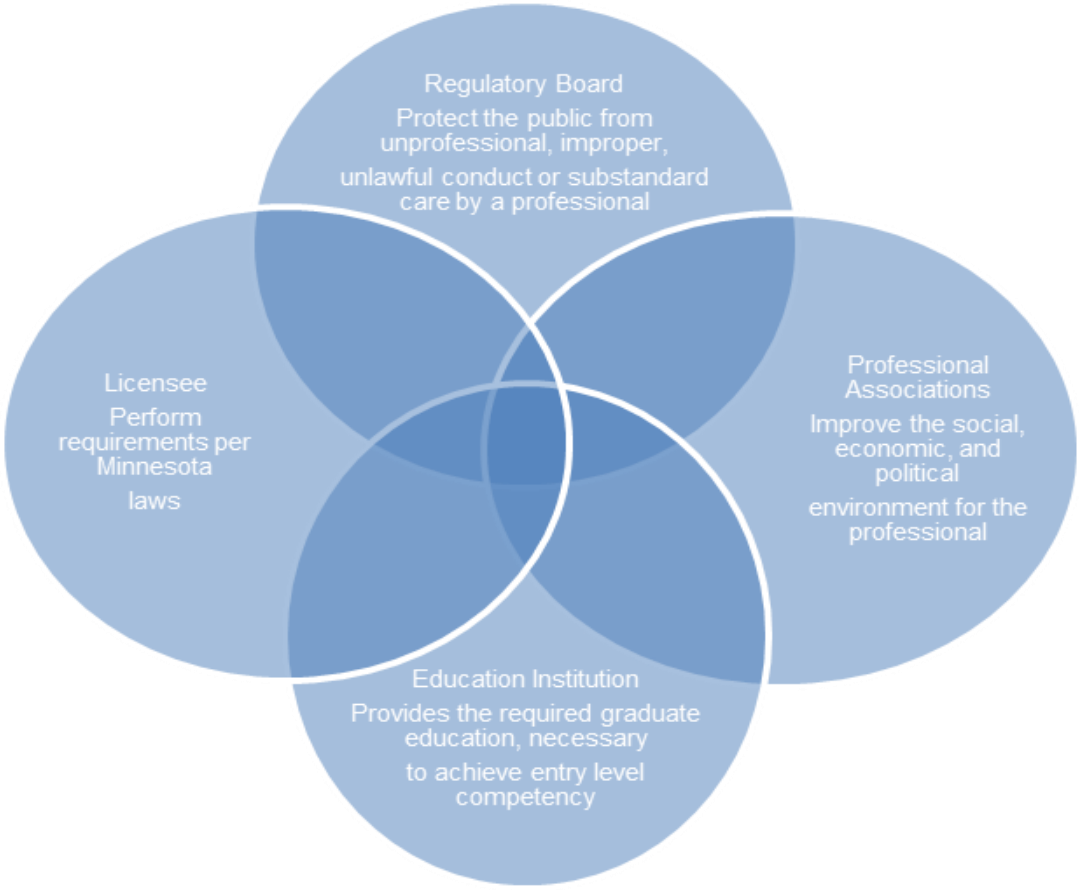
  Effective July 1, 2002, Minnesota Statutes, section 214.40 required the Administrative Services Unit to create procedures to allow volunteer dentists, dental hygienists, physicians, physician assistants, and nurses to apply for medical professional liability insurance while volunteering at community charitable organizations.

Section II. Operations – Effectiveness and Collaboration

The efficiency and effectiveness of the Board

This board acts in a collaborative manner with the Health Related Licensing Boards.

Organizational Relationships



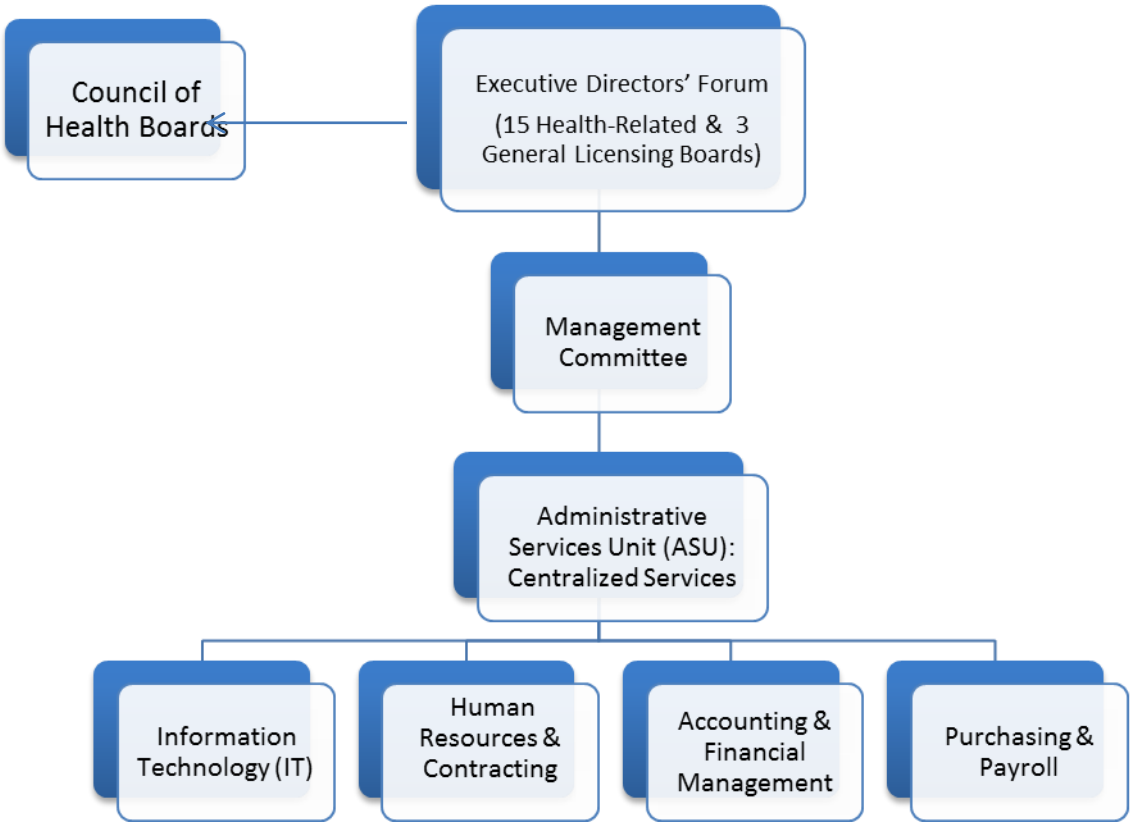
Each Board—comprised of governor appointed members —oversees the regulation of health-related professions in Minnesota. These Board members, who work in the Minnesota community outside of state government in addition to their role on these boards, put in extra hours to offer public and professional expertise to Minnesota state government.

In collaboration with each Board's staff, these individuals representing the public are entrusted with the overall protection of public health and safety through licensing of health-related professionals, and through administration of complaints regarding health-related practitioners.

Minnesota Health-Related Licensing Boards: Nationally Recognized Model for Occupational Governance

Administrative Services Unit

The MN BENHA board is the administrating board assigned to the Administrative Services Unit (ASU) (M.S. 214.07) which is funded by all the independent boards and consists of 7.12 FTE staff members who perform shared administrative and business services for all the boards. ASU provides shared service to the Boards in the areas of finance, budgeting, accounting, purchasing, reporting, banking, human resources, professional and technical contracts, information technology, policy development and payroll. ASU also facilitates the Boards' cooperative policy and planning efforts, and coordinates the Voluntary Health Care Provider Program (which provides malpractice coverage for physicians, physician assistants, dentists, dental hygienists, and nurses serving in a voluntary capacity at a charitable organization). ASU's annual budget is determined by the Executive Directors Forum, and the oversight of ASU is assigned on a rotating basis to one of the health-related boards; the current ASU oversight Board is the Minnesota Board of Examiners for Nursing Home Administrators. ASU is managed through the Executive Directors Forum's Management Committee.



Minnesota Health-Related Licensing Boards: Information Technology

Information Technology Workgroup

Under the auspices of the Executive Director Forum, an Information Technology Work group has been in operation for several years, and this group is responsible for coordination of HLB technological projects and implementation of technological improvements. The Health Related Licensing Boards have developed cooperative IT capabilities. This collaborative structure will now become part of the states IT enterprise through the Office of Enterprise Technology.

Certified and Diversified IT Administrators	Award Winning Security Model	Advanced Hardware Standards
• Collaborative financial resources to achieve a combination of developers, data base experts, and security credentialed staff members, including two Certified Information Systems Security Professional (CISSP) IT Administrators.	• HLBs received National Association of State Chief Information Officers (NASCIO) award for its Continuity of Operations Plan (COOP) • HLBs received national awards for work performed in IT security and emergency preparedness • Minnesota Board of Medical Practice received the Minnesota Government Recognition Award • Enforced strict passphrase policy across HLB since 2006 which exceeds industry standards	• Advanced technology infrastructure that integrates storage area network (SAN) devices to centralized secure data storage • Segmented internal network traffic and utilization of an active industry-leading firewall • Advanced technology typically utilized in larger agencies including: server virtualization and clustering, automated computer patching/updating, and vulnerability scanning • VMware clusters enable HLBs to manage server hardware with no downtime

Minnesota Health-Related Licensing Boards: Online Services

Online Services

Since 2001, the MN-BENHA has supported electronic technology to meet the efficient licensing processes for Minnesota Licensees. BENHA has both electronic applications and the renewal of licensees. As early adaptors, the board experienced 92% of current licensees using the service for renewals in 2011 and nearly 50% of all new applications are electronic with this service initiated in 2011. The staff response benchmark to customer inquiries is within 24 hours, a standard not met in fewer than five cases this year. The board utilizes advanced technology to provide interactive usable websites for public access.

Applicants	Licensees	Public
• Applications for licensure • Submission of documents • Application review and an email push notification to the candidate within 24 hours • Examination site authorization • Acting Permit for practice • Examination retake authorizations • Application status updates	• Downloadable forms and applications • Online applications and license renewal • Continued competency (CE) tracking • Address changes • Secure credit card transactions • License verifications for other jurisdictions • Notification of license renewal • E-newsletters • E-mail updates regarding practice standard updates	• Public orders and compliance history • Board disciplinary and adverse action reports • License verification • Data requests • Automated licensure data with other state agencies

Current Key Issues:

Initial Licensure: BENHA created an applicant review for the academic partners for students nearing graduation to receive a summary of their licensure requirements and develop a relationship with the board. In addition, administrator leadership and management courses are prepared for both in person and an electronic point of service option.

Online services: The board uses push technology to send emails, newsletters and renewal reminders which reduces board postage expense. 98.3% of all licensees maintain an active email account with the board.

Paperless meetings: The BENHA has not made significant progress with regard to paperless meetings. The initial assessment was delayed when initially viewing the cost to benefit analysis to purchase laptops or other electronic options for the physical equipment costs. The board staff and members promote technology that is cost effective.

Fees: The annual license fee was last increased in 1995 and remains at $200.00. In 2009, in an informal (National Association of Boards for Long Term Care Administrators-NAB) national survey, the average annual license fee was $200.00 for the LNHA. Fees have not been increased in fifteen years; however, with the legislative fund sweeps in recent years, the board may require a fee increase soon. The board has a formal resolution on fees paid by licensees being used exclusively for board operations and not transferred to the general fund. Board members believe in fiscal stewardship and prudency, common in many of their non-profit communities, to protect and carefully expend fee revenue as many board members are also licensees paying for the service.

Number of Credentials Issued for all Boards:

- As of June 30, 2010, a total of 252,724 persons were licensed or registered by the Health-Related Licensing Boards.

- A total of 260,158 credentials were issued or renewed during the biennium ending June 30, 2010.

The Boards have successfully utilized online services to efficiently provide licensing and renewal services, as well as to provide many other advanced services through technological improvements.

Section III. Authority for Additional Activities Not Specified in Statute

Identification of any activities of the Board in addition to those granted by statute and of the authority for those activities and the extent to which those activities are needed;

The Minnesota Board of Examiners for Nursing Home Administrators actively participates in other activities that, although not specifically defined in Statute or Rule, are deemed essential by direction of the citizens serving on the board and the regulatory activity of the profession.

Board staff and members participate in multiple academic forums, speakers' bureaus, continuing education events that are aimed to inform and educate the public, students and licensed administrators. These educational opportunities serve both to inform the public of the roles and responsibilities of the Board but also students as future licensees are viewed as a foundational building block in setting a higher bar for quality care of Minnesota elders. Board staff and members serve on a number of academic advisory committees for seven centers of academic excellence. Minnesota is also a leader in participating in research for academics to pursue evidence based leadership qualities for future models of long term care administration.

Board members and staff participate in leadership positions of the National Association of Boards for Long Term Care Administration. As a state nationally recognized for quality board governance, Minnesota board members and staff have held every elected office and next year will have its third state licensee serve as the Chair of the national board. This body defines the scope of practice and core competencies for administrators serving the continuum of care through home-community based services, assisted living and skilled nursing facilities. They serve as subject matter experts for the national exam preparation and national continuing education standards. NAB provides the information exchange and collaboration required to establish the framework to maintain consistency among states with various model practice acts, disciplinary actions while addressing emerging and ongoing problems of the regulation of the practice of senior living experts, administrators. The Chief Executive Officer of NAB is supportive of the Minnesota Health Licensing Board model and identifies this board as a national model for a cooperative, efficient and effective sole profession collaborative state agency regulatory scheme.

Additional Voluntary Entities

Executive Directors Forum

The Executive Directors (ED) Forum consists of the Executive Directors of each independent board. The Forum meets at least once a month to discuss issues and concerns affecting all boards, and is governed by standard set of Bylaws. The Forum was created with a goal of working together on matters of common concern, thus increasing the efficiency and

effectiveness of each individual board. The Forum establishes committees to develop recommendations for consideration by the Forum. These committees include the Policy Committee and the Management Committee. The primary objective of public safety is achieved most effectively if primary staff is assigned to focus on a specific health profession. To ensure fiscal efficiency, boards review general objectives and promote cooperation among the boards through the Executive Director Forum in an effort to eliminate duplication of similar effort. The Forum reviews general objectives, reviews policy, promotes intra-board cooperation, ensures fiscal efficiency, and eliminates duplication of similar effort.

The Executive Directors of each independent board meet monthly to collaborate and to address issues of shared concern, including policy development, legislation and technological improvements. The Forum establishes committees to develop recommendations for consideration by the Forum. These committees include the Policy Committee and the Management Committee. To ensure fiscal efficiency, boards review general objectives and promote cooperation among the boards through the Executive Director Forum in an effort to eliminate duplication.

Some of the tasks accomplished through the action of the Executive Directors Forum include:

- Virtualization of servers, resulting in substantial savings and greater storage capacity. On behalf of the Executive Directors Forum, a submission was made to the National Association of State Chief Information Officers (NASCIO) for Disaster Recovery Planning, regarding the Health Licensing Boards' project of virtualizing its servers arising from its development and application of its Continuation of Operations Plan (COOP).
- Further technological advances include addition of a Shared Storage Area Network, tripling storage capacity of the Boards, and advances toward using technology at Board meetings to reduce reliance on paper documents.
- Participation in cooperative efforts with the Department of Health and among the Boards to share information regarding licensee / registrant investigations in full compliance with Data Practices Act requirements, including ad hoc Just Culture / Health meetings regarding coordinating Department of Health investigations and Health Board investigations, and exchange of information under §214.10, subd. 8 (c). This has included development with the Attorney General Office of a data sharing memo that permits joint investigations to be conducted among health licensing boards, and provides for sharing of investigative data.
- Reviewing requirements and limitations pertaining to criminal background checks of applicants, and received updates on proposed legislation from law enforcement entities.
- Standardization of online complaint form throughout health licensing boards. Review was undertaken, with cooperation and guidance from Attorney General's Office, of methods to provide standard information to complainants at the time of opening a complaint file, as well as standardization of appeal information in closing letters under the auspices of a temporary Chapter 214 Work Group.
- Response to surveys regarding IT capacity, security and functionality.

- Enactment and approval of the Boards' first AWAIR plan, in compliance with federal and state requirements.
- Policy committee regularly met to provide coordinated response for Boards regarding legislative initiatives.
- A joint workforce planning report was completed, to prepare for ensuring qualified, competent workforce.
- The ED Forum worked collaboratively in providing information to MN Responds! to ensure that credentials of licensed health professionals are quickly available in case of a major emergency, as well as arranging for regular transfer of data between Department of Health and health licensing databases.
- Electronic governmental services were increased and improved, and include expanded information available online and greater interactivity, as well as heavy use by licensees of online renewal services.

Individual board staff and Executive Directors participated in numerous organizations regarding health and safety, including:

- Minnesota Alliance for Patient Safety
- National Board of Medical Examiners Committee on Irregular Behavior and Score Validity for the United States Medical Licensing Examination.
- National Association of Boards (NAB) Executive Committee
- State Executive Forum and State Governance Committees of the National Association of Boards
- Future Workforce Analysis Cabinet in Washington, D.C.
- Association of Chiropractic Board Administrators
- National Council of State Boards of Nursing Commitment to Ongoing Excellence (CORE) project
- Minnesota Center for Nursing
- Minnesota Alliance for Patient Safety
- Home Care Advisory Group
- Department of Human Services' Dental Access Advisory Committee
- Department of Human Services task force on licensing standards
- State Information Security Council
- HPSP Program Committee
- Drive to Excellence Licensing Steering Committee
- Drive To Excellence Procurement
- Drive to Excellence Sourcing Communication
- Drive To Excellence MAPS Project
- Continuation of Operations Planning (COOP)

Management Committee

The Management Committee makes recommendations to the Executive Directors Forum on issues relating to the internal management of the boards' cooperative activities. The responsibilities of the committee include the following:

- Management of the Administrative Services Unit budget and review of ASU performance
- Through the Administrative Services Unit, administers shared conference rooms and shared equipment, such as copiers
- Coordinating the boards' computer collaboration efforts
- Developing recommended policies and procedures for all boards, and reviewing best practices
- Oversight of the Administrative Services Unit

Policy Committee

The functions of the policy committee have been to make recommendations to the Executive Directors Forum on issues relating to public policy. The responsibilities of the committee have included the following:

- Reviewing legislative proposals
- Making recommendations on legislative initiatives affecting all the boards
- Undertaking efforts to make investigative data more readily available to share among health boards

Information Technology Workgroup

Under the auspices of the Executive Director Forum, an Information Technology Work group has been in operation for several years, and this group is responsible for coordination of HLB technological projects and implementation of technological improvements.

Section IV. Authority related to Fees, Inspections, Enforcement

An assessment of authority of the Board relating to fees, inspections, enforcement, and penalties

Fee	Amount
Application for licensure	$150.00
State examination	$75.00
Acting permit	$250.00
Renewal of license	$200.00
Initial license issued 7/1-12/31	$200.00
Duplicate license	$10.00
Continuing Education (less than 7 clock hours)	$30.00
Miscellaneous	$0.00
Reinstatement (within 5 years)	$200.00

License Verification	$30.00
Mailing labels	$50.00
Continuing Education (7 or more clock hours)	$50.00
Late fee (renewal/reinstatement)	$50.00
Application within 1 year of education review	$100.00
Initial license issued 1/1- 6/30	$100.00
Review of education & experience	$50.00
Initial License paid this FY, issued next FY	$200.00
Credit Card Handling Fee	$0.00
OET Surcharge Fee	$20.00

Number and Type of Credentials Issued or Renewed

Total Number of persons licensed or registered as of June 30, 2011	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2011. (As we renew on 6/30 of each year, the persons licensed in the left column is the same number as those renewing. The number listed is new credentials issued)		Number and Percent of Credentials Renewed Online during biennium ending June 30, 2011
853	Type Nursing Home Administrator	Number 45	# / Percent 735 / 92.9%

Total Number of persons licensed or registered as of June 30, 2010	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2010.		Number and Percent of Credentials Renewed Online during biennium ending June 30, 2010
851	Type Nursing Home Administrator	Number 44	# / Percent 715 / 90.5%

Total Number of persons licensed or registered as of June 30, 2009	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2009		Number and Type of Credentials Renewed Online (# and percent) during biennium ending June 30, 2009
846	Type Nursing Home Administrator	Number 46	# / Percent 711 / 89.3%

Total Number of persons licensed or registered as of June 30, 2008	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2008		Number and Type of Credentials Renewed Online (# and percent) during biennium ending June 30, 2008
831	Type Nursing Home Administrator	Number 43	# / Percent 698 / 89.3%

Total Number of persons licensed or registered as of June 30, 2007	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2007		Number and Type of Credentials Renewed Online (# and percent) during biennium ending June 30, 2007
821	Type Nursing Home Administrator	Number 37	# / Percent 677 / 87.5%

Total Number of persons licensed or registered as of June 30, 2006	Number and Type of Credentials Issued or Renewed during biennium ending June 30, 2006		Number and Type of Credentials Renewed Online (# and percent) during biennium ending June 30, 2006
840	Type Nursing Home Administrator	Number 36	**# / Percent** 622 / 81.5%

The board initiated online renewals on May 1, 2002. The licensees trust in the initial relationship created by the practicing board members who provided insight in the creation of the electronic model. BENHA licensees were early adaptors to online services with nearly 50% of renewals completed online the first year to a consistent 88% to 92% in the past four years. The online Administrator of Record data enhancement automatically notifies the BENHA board, the Minnesota Department of Health and Department of Human Services of changes when administrators begin or end their employment.

In 2010, the initial licensure process received a customer service rating of 9.28 out of 10 in measuring staff availability, knowledge, and response to information requests about licensure requirements and process. The office also had a rating of 9.6/10 to BENHA service and assistance during the application process.

Section V. Regulation and Public Protection

Whether less restrictive or alternative methods of performing any function that the agency performs could adequately protect or provide service to the public

Regulatory Authority. The Board, like all US jurisdictions, licenses nursing home administrators as a federally required board in order for the state of Minnesota to receive federal funds. The board and provider organizations believe this is the appropriate level of regulation for administrators. The Institute of Medicine (IOM) study states there "is no more of a central position (in a LTC Community) than that of the administrator" and culture change advocates see the 'critical role' of the administrator as being an agent of change and creating nurturing environments for our elders. Administrators oversee the work of individuals working with vulnerable populations and incompetent or unethical practitioners are a significant risk of harm to the elders for whom service is provided and the general public. Given the legal definitions in the state of Minnesota and the federal requirement, licensure is the least restrictive of regulatory authority. Nationally, research is centered on evidence based leadership models which is encouraging for this historically resource limited occupation.

Fiduciary Obligation. Minnesota Statutes section 214.06 requires the Board to collect fees sufficient to cover expenditures. Fees collected are deposited in the State Government Special Revenue Fund and appropriated by the legislature. An alternative and less burdensome method would be for the Board to have fiscal authority without this legislative appropriation. Fees established by the legislature and oversight by the Minnesota Management and Budget would provide external and internal audit control mechanisms and assurance to the public of compliance with Minnesota law and best accounting practices while deleting a layer of bureaucracy. This would place the burden of partnership with the licensee community, provider association and boards to create effective and efficient operations. The Dedicated Special Revenue Fund approach is supported by all of the stakeholders and the legislature appears to be reluctant to abdicate their power to the least restrictive model.

Legal Services. Minnesota statutes section 214 requires legal and investigative services be provided by the Attorney General's Office (AGO). Many of the larger boards have implemented a system in which Board staff draft legal documents of notice rather than the AGO. The AGO then reviews the documents for accuracy and compliance with law. This practice has resulted in a 50% decrease in the time from receipt of complaint to a review before the Board. There was no change in the cost to the Board. As a smaller board, the current AAG's are essential and the cost is minimal. However, a logical expansion of this practice would be for the health-licensing boards to retain their own legal counsel and investigative staff rather than contracting with the AGO; thus, eliminating a layer of involvement. Legal and investigative services would be shared among the health-related licensing boards on a fee for use basis. As a smaller board, it is uncertain if cost to benefit would be substantial to propose this change in practice. Again, the partnership with the AG's office is strong and provides exceptional service to BENHA.

NAB Endorsement Act: Minnesota participates with 22 other states that allow endorsement of an active license for applicants with two years in the past five of successful leadership at the skilled facility in the current state of residency. The board has been active on the national level to eliminate unnecessary barriers for entry and interstate transfer of license.

Section VI. Agency Structure and Program Administration

The extent to which the jurisdiction of the Board and the programs administered by the Board overlap or duplicate those of other agencies, the extent to which the Board coordinates with those agencies, and the extent to which the programs administered by the Board can be consolidated with the programs of other state agencies;

There are no other state agencies focused on the administrator standard entry level requirements for administrator and continued competency requirements. The MN-BENHA does engage many long term care stakeholders, both internal state agencies and external provider partners, in advancing practice standards for administrators. The board has representatives from Minnesota Department of Health and Department of Human Services who serve on the board as key partners. There is no other agency that deals directly with the elder care administrator with a licensed administrator as the subject matter expert within the state of Minnesota. Provider organizations and elder advocacy groups have expressed appreciation in having a 'one stop go to' agency for all matters related to senior living administration.

Board members believe the small agency model of consolidation and collaboration with other health licensing boards, led by citizens, is a model that should be emulated and could serve as an example for other large centralized bureaucratic agencies.

Section VII. Complaint Resolution Process

The promptness and effectiveness with which the agency addresses complaints concerning entities or other persons affected by the agency, including an assessment of the agency's administrative hearings process;

Number and age of complaints open at the end of the period

Number of Complaints ending June 30, 2010	Number of Complaints Open as of June 30, 2010
78	
1. Complaints Open	6
2. Open Less Than 3 Months	2
3. Open 3 to 6 Months	3
4. Open 6 to 12 Months	1
5. Open More Than 1 Year (explain)	0

Number of Complaints ending June 30, 2009	Number of Complaints Open as of June 30, 2009
69	
1. Complaints Open	4
2. Open Less Than 3 Months	3
3. Open 3 to 6 Months	1
4. Open 6 to 12 Months	0
5. Open More Than 1 Year (explain)	0

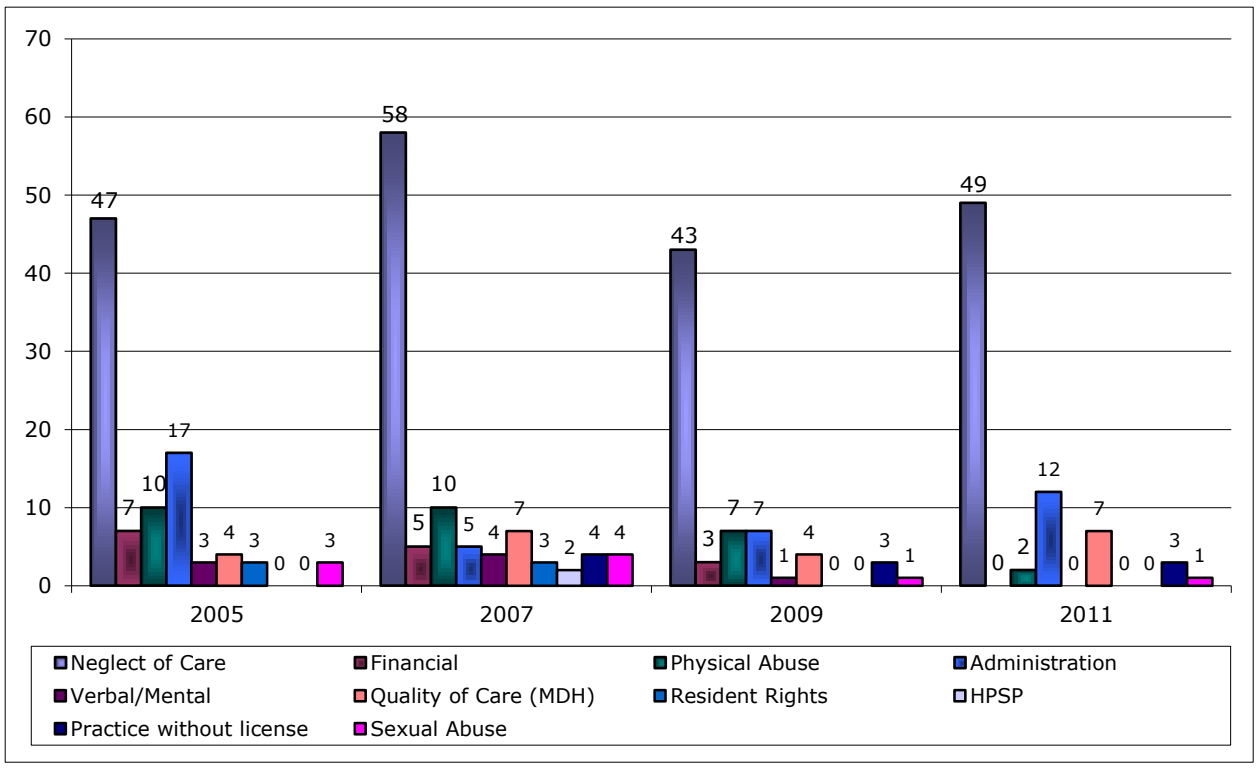
Number of Complaints ending June 30, 2008	Number of Complaints Open as of June 30, 2008
78	
1. Complaints Open	6
2. Open Less Than 3 Months	2
3. Open 3 to 6 Months	3
4. Open 6 to 12 Months	1
5. Open More Than 1 Year (explain)	0

Number of Complaints ending June 30, 2007	Number of Complaints Open as of June 30, 2007
102	
1. Complaints Open	4
2. Open Less Than 3 Months	3
3. Open 3 to 6 Months	1
4. Open 6 to 12 Months	0
5. Open More Than 1 Year (explain)	0

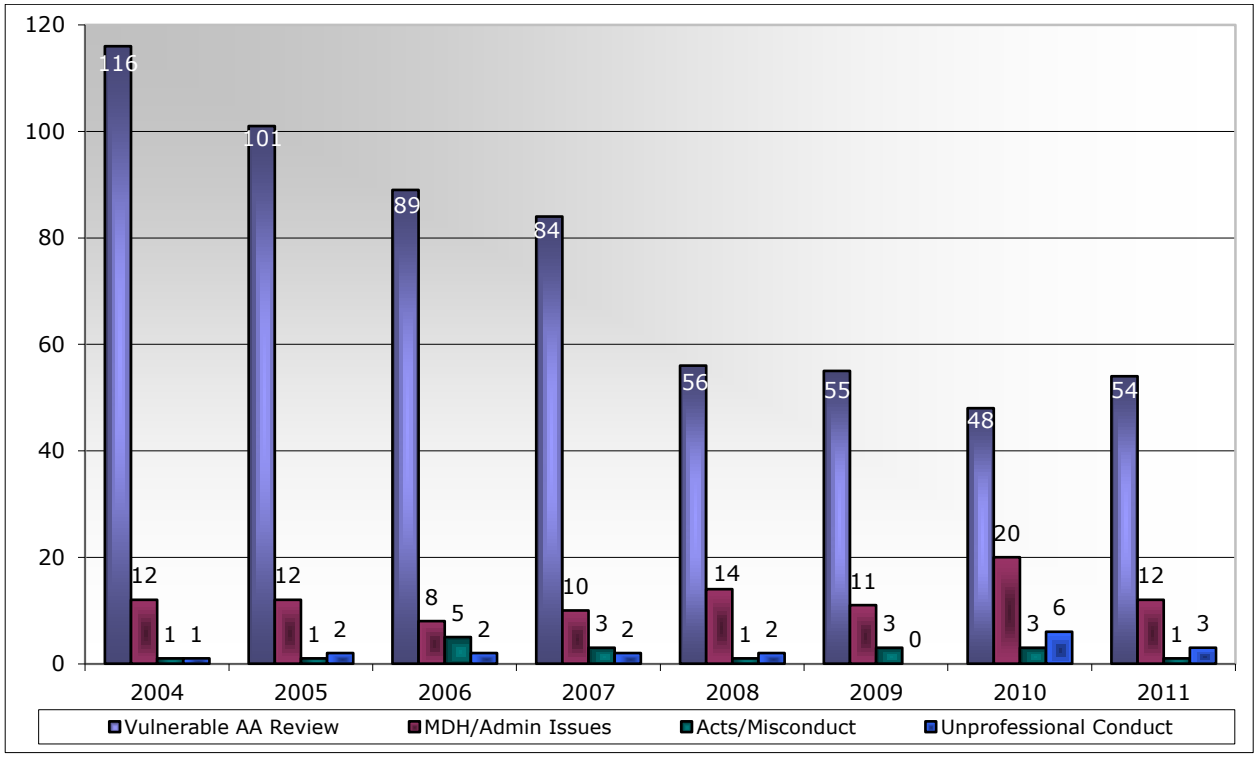
Number of Complaints ending June 30, 2006	Number of Complaints Open as of June 30, 2006
106	
1. Complaints Open	9
2. Open Less Than 3 Months	7
3. Open 3 to 6 Months	2
4. Open 6 to 12 Months	0
5. Open More Than 1 Year (explain)	0

Number of Complaints Closed in biennium ending June 30, 2005	Number of Complaints Open as of June 30, 2005
95	
1. Complaints Open	17
2. Open Less Than 3 Months	12
3. Open 3 to 6 Months	5
4. Open 6 to 12 Months	0
5. Open More Than 1 Year (explain)	0

Complaints by Category, June 30, 2011



Complaint Log, June 30 annually by year



The Standards of Practice Committee is comprised of two long term care administrators with one non-administrator serving on this committee. At every meeting, the Assistant Attorney General ensures legal compliance and consistency with all health licensing boards in working with the subject matter experts of the profession. They work diligently to ensure the blending of public safety and licensee accountability in a timely and direct manner for both complainants and the subject of the complaint; the LNHA. In over 95% of the time, the complaint is resolved within two meetings or approximately six months. As only board members serving on the complaint panel make the processing decision, the first meeting typically reviews the preliminary information and in a great majority of those cases is either dismissed or additional information is sought before the committee feels comfortable in dismissing or closing the case at the second meeting. The Standards of Practice Committee now meets on the same day as the regular quarterly board meeting to reduce travel, lodging and per diem expense. This past year, two additional SOPC meetings were held to ensure timely processing.

The committee has incorporated ‘just culture’ principles whereas many of the complaints are resolved with professional quality improvement standards and educational re-direction, without escalating to a contested case. With many of the complaints, the corrective action is working towards better operational systems and therefore don’t warrant formal individual administrative action. In the past two years, 23 formal inquiries were conducted, with the administrator ultimately engaged in quality improvement and responsive to correcting the human error encountered. The committee holds the administrator accountable for willful disregard for resident safety. Administrative coaching and directed education is the approach used for a majority of cases involving unintentional, yet actual resident harm as a result of an employees’ action. The administrator is held accountable for continuous quality improvement and root cause analysis to minimize future sentinel events.

In conjuncture with the Minnesota Department of Health liaison's role, the board studied two issues in this past biennium: 1) the effect of the six month acting permit for a non-licensed administrator and 2) the initial review of the "Shared Administrator" for two or more facilities sharing the professional services of one administrator.

Trend Data as of June 30

Year	A. Persons Licensed	B. Complaints	C. Complaints Per 1,000 Licensees	D. Open Cases
2010	851	78	91.7	6
2009	846	69	81.6	4
2008	840	78	92.9	6
2007	821	102	124.2	4
2006	840	106	126.2	9
2005	852	95	111.5	17
2004	856	124	144.9	13
2003	862	114	132.3	10
2002	859	100	116.4	5
2001	890	150	168.5	1
2000	910	135	148.4	14

Section VIII. Rules, Policy, Legislation Enactment/Development and Stakeholder Participation

An assessment of the Board's rulemaking process and the extent to which the Board has encouraged participation by the public in making its rules and decisions and the extent to which the public participation has resulted in rules that benefit the public;

The Minnesota Board (BENHA) last promulgated rules in 2001. The Board and the Attorney General Office routinely review and evaluate the current Rules. The Rules Committee is chaired as a standing committee and has internally updated rules in delaying the formal rule writing until benefit exceeds expense. It is the opinion of the Attorney General office and the board members that the current rules in place are adequate and effective at this time, and are not lacking, incomplete nor causing public harm by not updating. There has been no request by the public or the licensees to engage in the promulgation of additional or revision of rules. Also, the Board has consciously chosen not to engage in the rule writing process due to the significant expense when faced with a limited board budget that has seen its 'surplus earnings,' typically used for rule writing, swept to the general fund. In addition, the formal Rule writing process required in Minnesota is viewed by many as complex, burdensome and time consuming. The board consciously moved to an annual review of the cost to benefit ratio of rule writing and has prepared a list of potential rule revisions.

Legislative changes have occurred to the BENHA Practice Act MN Statute §144A over the last ten years. Statute changes were agreed upon following considerable stakeholder input. These legislative regulatory changes were necessary to address how the practice of administrator's is performed in order

to protect the public. In all situations, the board contacts key stakeholders to ensure attempts at reducing unnecessary legislative conflict or undiscovered and unintended barriers.

The primary communication with the public occurs via the Board's Website: www.benha.state.mn.us . This interactive tool provides all statutes, downloadable forms, complaints process and forms, FAQ's, and volumes of information accessible to the public 24/7.

Section IX. Compliance with Federal and State Laws Related to Employment, Data Privacy, Purchasing

The extent to which the Board has complied with federal and state laws and applicable rules regarding equality of employment opportunity and the rights and privacy of individuals, and state law and applicable rules of any state agency regarding purchasing guidelines and programs for historically underutilized businesses. The following response is consistent for all health licensing boards with under 25 employees.

Employment

The Board complies fully with federal and state laws regarding equality of employment opportunity, and the rights and privacy of individuals. The Executive Director is entrusted with responsibility for ensuring that federal and state equal employment opportunity laws are fully complied with. This is achieved with assistance of the Board's designated affirmative action officer, located in the Administrative Services Unit, which provides shared services to each Board.

The Board maintains and updates an affirmative action plan on a biannual basis. Criteria for affirmative action plans are established by state law, MS. 43A.19 and 43A.191, and MMB Administrative Procedure 19.1. The Executive Director prepares and implements the Plan, and signs the Plan's Statement of Commitment. The current Affirmative Action Plan is on the Board's website. Likewise, the Board fully complies with the Minnesota Human Rights Act and applicable federal equal opportunity laws. The Board works cooperatively with the Administrative Services Unit, which provides expertise on equal opportunity issues.

This Board has received no complaints of violation of equal employment opportunity laws. All new employees are informed of equal employment opportunity policies and laws upon orientation, and a copy of the Board's affirmative action plan is reviewed with them, including equal opportunity provisions and the Board's complaint process. This Affirmative Action Plan is provided to all new employees, and is posted on the employee bulletin board. Training on equal opportunity / affirmative action requirements is periodically provided to staff through in-person training sessions and online training. Equal opportunity / affirmative action matters are regularly reviewed at Executive Director meetings and Office Manager meetings.

The Board conducts its hiring processes in accordance with all applicable collective agreements, and state and federal law. This is accomplished through consultation with the Board's affirmative action designee. The Board uses the State's resume-base, skill-matching process. Resumes are evaluated against established minimum qualifications. Hiring processes are closely reviewed to insure

compliance with equal employment opportunity. Interview questions are established based on knowledge, skills, and abilities required to perform the responsibilities of each position. The Board's home webpage has an affirmative action / equal opportunity statement, lists the phone number for hearing/speech relay, and provides an e-mail address for comments on the web page. The Board responds to all applicable State surveys regarding equal opportunity / affirmative action, including an Annual ADA Survey.

Applicants and the general population are becoming increasingly diverse, including cultural and language diversity. The licensing boards continue to examine matters pertaining to possible barriers in licensure, as well as issues surrounding working with clients and patients from diverse populations.

Purchasing and Contracting

The Board complies with all purchasing requirements, including the State's Targeted Group / Economically Disadvantaged small business program. Contractual guidance is provided by the Administrative Services Unit. The Administrative Services Unit also provides the services of a Buyer who has been trained in all State purchasing requirements, including Targeted Group / Economically Disadvantaged preferences in purchasing. The Board is also strongly supportive of Minncor purchasing. Applicable rules of any state agency regarding purchasing guidelines and programs for historically underutilized businesses.

The Board is aware of State contracting requirements regarding accessibility for IT services over $25,000; assistance in these matters if provided by Administrative Services Unit IT and Contract staff. Training on these matters has been provided by the Department of Administration, Materials Management Division.

All departments and agencies making direct purchases in accordance with this authority must follow the policies and procedures and instructions contained in this manual and all applicable laws and rules, including but not limited to:

- Minnesota Statutes Chapters 13, 16A, 16B, and 16C,
- Minn. Stat. §10A.07, 15.43, 43A.38, 609.43, and 609.456,
- Minnesota Rules Chapter 1230, and
- Uniform Commercial Code (UCC) as adopted by Minnesota (see Minnesota Statutes Chapter 336).

Section X. Potential Conflict of Interest

The extent to which the Board issues and enforces rules relating to potential conflicts of interest of its employees;

Minnesota Statute §214 clearly addresses conflict of interest issues regarding board members and licensee interaction and licensee complaint and investigation. All board members review MN Statute §214 with regard to conflict of interest annually.

The Executive Director of the Board is responsible for enforcing rules relating to potential conflicts of interest of its employees.

The Executive Directors of all the Health-Related Licensing Boards agreed to have each incumbent employee review State Code of Conduct provisions and to be recertified in the employee's core knowledge of the code annually. All new Board employees are also informed of the Code at employment orientation, and are instructed to certify understanding of their responsibilities under the code. The State Code of Conduct (MMB Operating Policy & Procedure 01003-01) outlines the standards and expectations regarding employee honesty, integrity, and ethical behavior.

The Code of Ethics for State Employees [Executive Branch] with the State of Minnesota (Minnesota Statutes 43A.38) is reviewed at orientation with all new employees, and is also discussed regularly at Office Managers meeting and Executive Directors meetings. Questions regarding conflict of interest are directed to Administrative Services Unit staff, which seeks additional guidance as required from Minnesota Management and Budget.

Provisions regarding potential conflict of interest in regard to contracting are heavily regulated by Minnesota statutes. Provisions regarding institutional conflict of interest have been reviewed at meetings of Office Managers and of Executive Directors.

Board staff received training from the Department of Administration, Materials Management Division, regarding appropriate contracting procedures, including conflict of interest. Adherence to state contracting statutes and regulations minimize the risk of conflict of interest.

Section XI. Compliance with Chapter 13-Data Practices and Requests for Information

The extent to which the Board complies with Chapter 13 and follows records management practices that enable the agency to respond efficiently to requests for public information.

Record Retention schedules

The Board follows a record retention scheduled approved in December, 1998 and last updated in 2005.

Tennessen warnings

Appropriate Tennessen warnings, reviewed and approved by the Attorney General Office are included in all correspondence with licensees and non licensees who may be involved in a complaint investigation.

The Board of Examiners for Nursing Home Administrators complies with all data privacy laws defined in MN Statute §13 and frequently consults with the Attorney General Office for clarification of the application and interpretation of MN Statute §13. All requests for public information are addressed as promptly as possible and are provided to the requestor following Assistant Attorney General review or legal consultation. Public disciplinary documents are available via link posted on the Board of Examiners for Nursing Home Administrators website. All open meeting laws are observed and followed by the Board of Examiners for Nursing Home Administrators without exception.

Section XII. Effect of Federal Intervention and Funding

The effect of federal intervention or loss of federal funds if the Board is abolished.

To comply with the Centers of Medicare and Medicaid Services (CMS) funding mandate for Code of Federal Regulations Chapter 483; Title 18 (Medicare) and Title 19 (Medicaid) facilities, the state of Minnesota must have a NHA licensing agency as a federal condition of participation. Each state was allowed to establish the specific qualifications for licensure of the individual nursing home administrator as created in 1970. Recently, states on both coasts require licensure of 'high end' assisted living for the administrator or senior living professional. A new addition to the licensure process is home and community based services leadership tracks. On a national level, more states are moving towards licensure than decreasing requirements for senior living specialists. If individuals accept payment from non-family members in a residential setting, some baseline education is typically required. The challenge of the future will be the increasing number of elders with decreased resources and the need for operational efficiency.

All fifty states require some form of licensure for the long term care administrator in the skilled care setting. Forty four states require assisted living administrators to have some level of core competency.

Section XIII. Additional Services and Collaboration

Although the 17 independent health licensing boards, the Board of Barber Examiners, the Board of Cosmetologist Examiners, the Health Professionals Services Program, and the Department of Health are separate agencies, the boards and the department cooperate in administering health occupation licensing programs. The 17 boards are housed together in the same building and collaborate in many ways. The boards meet regularly with representatives of the Department of Health to discuss joint concerns.

Health Licensing Boards

Each of the independent health licensing boards consists of members appointed by the Governor. The principal staff person for each board is the Executive Director; although by statute some of these positions are classified as Executive Secretary, this is solely a matter of terminology. Each board is charged with the regulation of particular health professions specified by statute. Each board is governed by its own practice act. Certain statutory requirements apply to all boards; these are specified in Chapter 214. The Emergency Medical Services Regulatory Board, although not statutorily defined as a health licensing board, is housed with the boards and cooperates with them on administrative, policy, and financial matters. Similarly, the Board of Barber Examiners and Board of Cosmetologist Examiners, though not a statutorily designated health licensing board, is housed with the boards and cooperates with them on administrative, policy and financial matters. The Health-related Licensing Boards which are housed in the same building are funded by licensing fees, as opposed to general state funds. There are no general funds utilized by the Health Related Licensing Boards.

Department of Health

The Department of Health administers one health occupation program which is defined as a health-related licensing board under Chapter 214. This is the Office of Unlicensed Complementary and Alternative Health Care Practice. The Alcohol and Drug Counselor Licensing Program is now housed within the Board of Behavioral Health and Therapy, and the Office of Mental Health Practice is now housed within the Board of Social Work as administering agency.

The Department of Health also has certain statutory responsibilities relating to the boards. These are as follows:

- to provide mailing and office supplies services, and at the request of the boards, may provide other facilities and services at a central location upon request of the boards (M.S. 214.04)
- to coordinate the development of a credentials policy among the boards (M.S. 214.13)
- to serve on the Council of Health Board when reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee (M.S. 214.025). Additional information regarding the Council of Health Boards is below.

Council of Health Boards

The Council consists of one board member from each board and the Executive Directors. The Council meets periodically to discuss issues and concerns affecting all boards. The Council is required to statutorily review emerging issues relating to health occupation regulation, such as proposals to regulate new health occupations, upon referral from the Legislature. The council was given formal direction when legislation Minn. Stat. §214.025 was enacted on July 1, 2001:

The health-related licensing boards may establish a Council of Health Boards consisting of representatives of the health-related licensing boards and the Emergency Medical Services Regulatory Board. When reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee.

Since 2003, the Council has received requests from the Senate and House to perform occupational reviews, and to provide a report to the Legislature, regarding legislation regarding the following occupations:

- Massage Therapy (2002 and 2009)
- Optometry Prescribing Authority
- Speech Language Pathology
- Dental Assistants
- Denturists
- Naturopaths
- Athletic Trainers
- Laboratory Scientists

- Body Art
- Genetic Counseling

As the administering board for the Council of Health Boards, this agency coordinates the work of the Council. The boards deal directly with the legislature upon the request of either Chair of the respective Health Committees for both legislative bodies. To this date, Minnesota utilized sunrise legislation which requires a detailed, strict review of emerging professions and the Council of Health Boards prepares a detailed written summary for both chambers. The Council utilizes significant portions of the Pew Commissions recommended for sunrise occupational review. If Minnesota now deems sunset legislation as a better approach, perhaps the Council of Health Boards would become a voluntary body and would not review emerging legislation saving countless hours and volunteer work for the boards.

Section XIV. Priority Based Budget

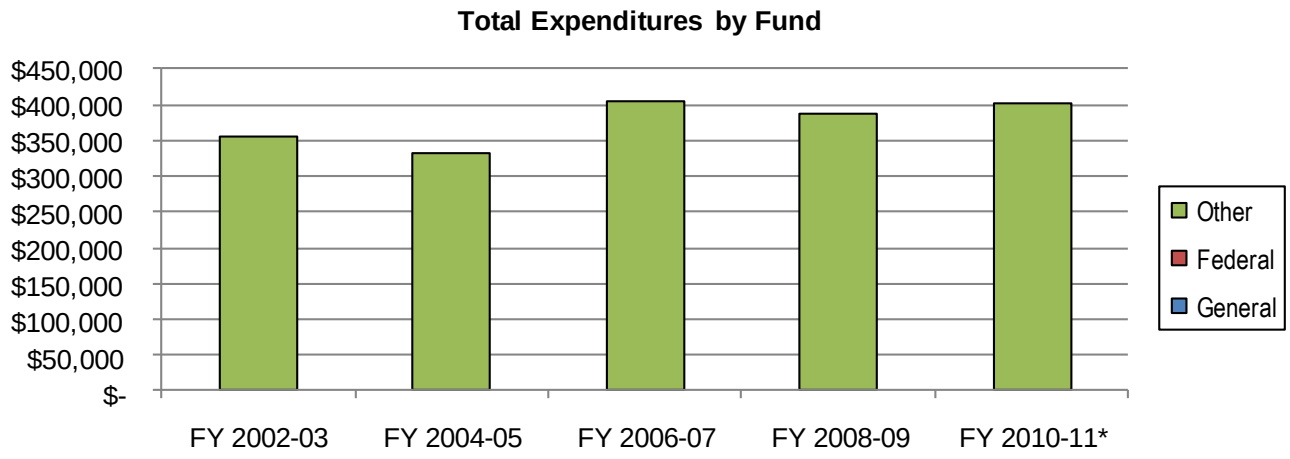
The Minnesota Board of NHA's has only one program, however anticipates a further cost savings with the three agency lean processing used in creating a new model. The desired outcome is that the Plan, Do, Check, and Act classic quality improvement Deming model will provide greater efficiency. Priority based budgeting is used by every long term care facility and the board is not new to the arena of doing more with less in setting their strategic plan to the expense and operationalize the plan with dedicated resources. However, the board has worked diligently to match expenses to fees collected by the board operations only to see any management achievement and cost savings be transferred to other general fund agencies. It can be viewed as a disincentive for board members. All revenue should be placed in a dedicated to the agency special revenue fund. Budgets are prepared and approved with full board involvement.

Each of the expenditures buckets are priorities as the board has streamlined operations to a point that further reduction would mean sub-quality service, a position that does not identify well with the current board. The boards 'lean' priorities were utilized before it become a trendy management concept. Any reduction in budget would result in reduced regulatory activity and service to the citizens of Minnesota and administrator licensees thus compromising public protection and safety. The board has dealt with other state models which are inferior in their estimation to the Minnesota model.

The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures. The board is estimated to collect $396,000 in FY 12-13, which is deposited as non-dedicated revenue into the state government special revenue fund. If subject to continued transfers, the imprudent manager/board would spend to the received amount regardless of priority-based spending. This board does not engage in such poor stewardship. The Minnesota Board of Examiners for Nursing Home Administrators fees were last increased in 1995. To date, board members are committed to operating efficiently knowing that the unspent revenue was placed in the surplus account to delay fee increases or for litigation expense involving a contested case. The surplus or savings account amounted to delaying fee increases projected to 2015, however, BENHA may now be required to seek a fee increase in this biennium due to the recent transfer of funds. The board does not support the transfer of funds totaling

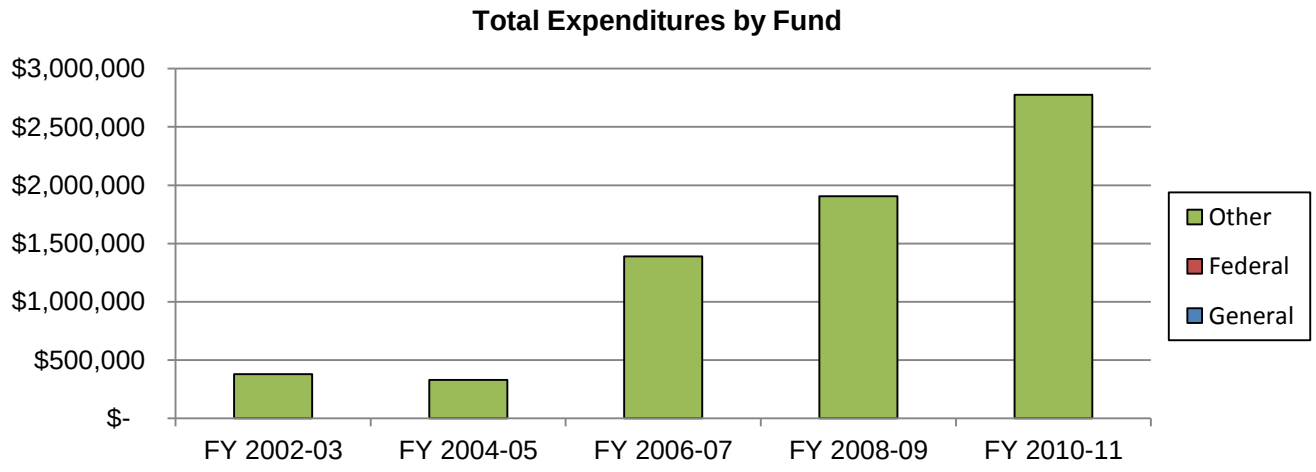
$116,084.00 to the General Fund even in these challenging economic times. *As many board members also participate on non-profit boards, the director stewardship and fiduciary responsibilities are felt to be excluded from the current state model with only policy decisions in the ultimate control of the board.*

From this fund, the board requests and receives a direct appropriation to pay for agency activities such as salaries, rent, costs for disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation. In FY 2010-11, total expenditures for these purposes are estimated at $401,000. The first chart below shows BENHA only funding trends over the last five biennia for the direct appropriation. The second chart shows both NHA and the Administrative Services unit total expenditure by fund.



NHA Board Only – (excludes the Administrative Services Unit)

Budget Trends Section



Includes both NHA and the Administrative Services Unit (ASU)

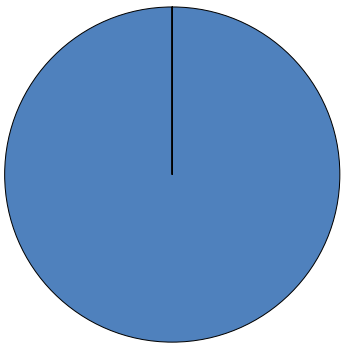
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09	FY 2010-11*
General	$ -	$ -	$ -	$ -	$ -
Federal	$ -	$ -	$ -	$ -	$ -
Other	$ 378,000	$ 329,000	$ 1,388,000	$ 1,905,000	$ 2,777,000
** FY 2010-11 is estimated, not actual*					

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 07/31/10.

Total BENHA/ASU direct and indirect expenditures for FY 2010-11 were estimated to be $2,777,000, which includes 9.60 FTE employees. Direct expenditures include salaries, rent and other operating expenditures. The board receives a direct appropriation for these costs. Indirect expenditures include costs of services received by the Attorney General's Office, Health Professionals Services Program, Office of Mental Health Program and the Administrative Services Unit. The significant increase noted in the chart above is due to 'shared' expenditures for all HLB's and ASU, the proposed DRLIMS - a health-related licensing system, legal proceedings, retirement costs, and the Voluntary Health Care Provider Program.

The Administrative Services Unit generates no revenue. Funds are appropriated to BENHA from the state government special revenue fund. The 15 health–related licensing boards, EMSRB, Barbers, and Cosmetologists share the cost of this activity. ASU is funded by receipts from all boards through a formula designed to approximate the share of ASU services used by each board. The boards collect revenue through fees charged to licensees, applicants, and other users and deposit them into the state government special revenue fund to cover the expenses of ASU. EMSRB pays for their services through an interagency agreement.

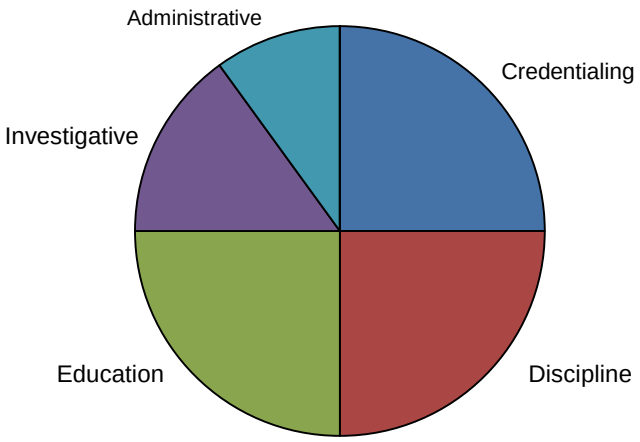
Est. FY 2010-11 Expenditures by Fund



General Fund	0%
Federal Funds	0%
Other Funds	100%

Source: Consolidated Fund Statement.

Est. FY 2010-11 Expenditures by Service



Credentialing Services	33%
Discipline Services	25%
Education/Academic Services	25%
Investigative Services	7%
Administrative Services	10%

Source: Fund Statement

BENHA Only

Summary Statement:

The Minnesota Board of Examiners for Nursing Home Administrators remains proud of its public safety commitment and is currently recognized as a national leader. This board advocates:

- The original intent, goals and mission of the board is currently met. Having completed two Strategic Plans in the past decade, *we support CQI* and the concept of this review process.
- The *efficiency of current operations is apparent* with the presented financial summary. The vision of the board to further revise the operational model with 2011 business centric models should be encouraged for their self-directed vision.
- The *efficiency* of shared back office functions through the Administrative Services Unit (ASU) creates efficiency of common processes while enabling subject matter experts to serve the public and licensees with immediate answers to questions.
- The *effectiveness* of the Minnesota Health Licensing Regulatory Board model is well regarded nationally from both citizen advocacy groups and contemporary state boards. This is small government with citizens driving the structure and avoids political decision making. Smaller and direct citizen involvement is viewed favorable by the licensees and public members who serve on the board.
- External stakeholders believe in the work of the board and support its continuation in its role of *citizens directing* and controlling the operations of the board.

Potential improvements determined by the Sunset Commission Review:

The Sunset Commission could consider having boards investigate the purchase of real estate required for the offices. The total lease payments for the past 14 years far exceed the current value of the building. This ownership model is found in some other states.

The Sunset Commission could consider a semi-private health licensing board model as found in other states, (NC, Ohio). In this model, board members are still appointed by the Governor, legal counsel is still required to be from the AG's office and all fee increases or decreases are still approved by the legislature. Budgets are exclusively controlled by the board members, subject to audit review of the Office of the Legislative Auditor with annual audit statements required. This model would allow a least restrictive purchasing, IT, and financial management system to put limited resources directed towards board operations. The Sunset Commission would require those same services be secured at current or lower costs. If the board can secure items at a lower expense they would have the freedom to do so. This directive would clearly place the ownership of controlling costs on the boards.

The Sunset Commission could consider offering full support of the development of an electronic health related licensing and data management system, DRLIMS to build a health licensing data management system for additional public transparency.

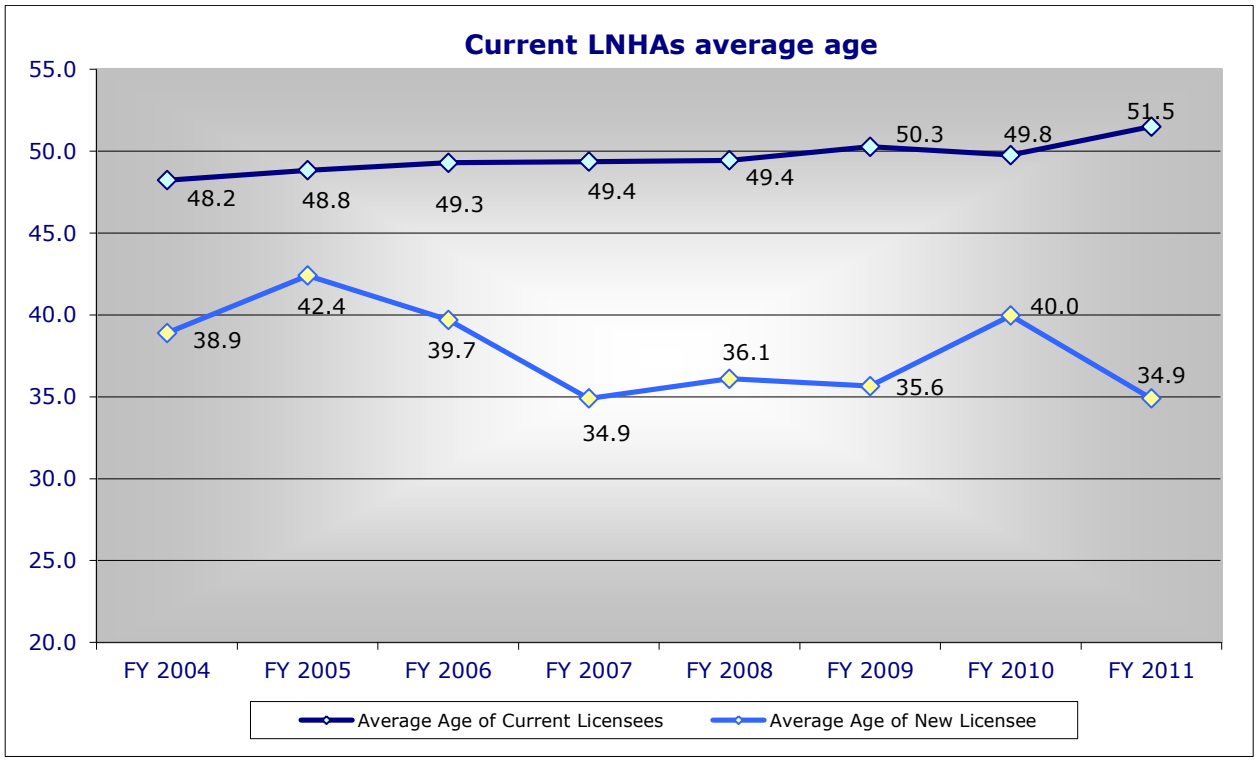
The Sunset Commission could review current legislative reporting requirements such as the Biennial Report, the Obsolete Rules Report, and the Council of Health Boards Sunrise Review requirements. If deemed critical for legislative success, staff is eager to complete the currently required and future requested reports provided for the legislature. Perhaps a more effective health regulatory information model would be a quality improvement matrix of specific measurements to be defined by this committee and posted on our websites. If quality measurements are the requested forum for public information, consideration should be granted for a dedicated report generator staff position. This would only be successful combined with the proposed DRLIMS HLB IT Licensing and DB system.

APPENDIX A

NHA Quick Summary as of June 30								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
# of licensees	856	852	840	821	831	846	851	852
New licensees	41	48	36	37	43	46	44	45
Average age of new licensees	38.9	42.4	39.7	34.9	36.1	35.6	40	34.9
# of annual complaints	124	95	106	105	79	68	78	70
# of new licensees males	14	24	19	13	14	15	14	10
# of new licensees females	27	24	17	24	29	31	30	35
# of new licensees serving as AOR	n/a	n/a	22	15	22	20	13	13
# of new licensees employed in LTC (Asst Adm, DON, SW, etc.)	n/a	n/a	12	20	18	22	27	16

APPENDIX B

As of June 30



APPENDIX C

As of June 30