



Minnesota Department of Health



Minnesota Department of Human Services

# Integrated Licensing Structure for MDH Home Care and DHS Home and Community Based Services Providers

| Fiscal Impact (\$000s)       | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|------------------------------|---------|---------|---------|---------|
| State Government Special Rev |         |         |         |         |
| Expenditures                 | \$0     | \$12    | \$31    | \$31    |
| Revenues                     | 0       | 0       | 31      | 36      |
| Net Fiscal Impact            | 0       | 12      | 0       | (5)     |
| FTEs                         | 0       | 0.11    | 0.28    | 0.28    |

## Summary

This proposal establishes a single integrated regulatory system for providers who operate as home care providers and community based service (HCBS) providers. Instead of requiring a separate license for each service, providers will only need to get a home care license with an HCBS designation through the Department of Health. The home care license with HCBS designation will be less expensive and less burdensome for providers than getting two separate licenses.

## Background

While home care and HCBS sound identical, the services are not the same. Home care providers offer a variety of services in clients' homes, ranging from help with activities of daily living to providing specialized health care. Home care providers may receive payment through health insurance, long-term care insurance, Medicaid or Medicare. HCBS are a more specific set of services mainly for those eligible for Medicaid waivers, including assistance and supervision, respite, personal and residential supports, training, habilitation or rehabilitation, employment services, and 24 hour emergency assistance.

Many providers choose not to offer both home care and HCBS services, but a small subset of approximately 200 providers do. While the services are not the same, many of the regulatory requirements are similar. Therefore, the integrated licensing system will create a new regulatory model that joins two types of licensed activities into one license.

This proposal is based on joint recommendations of the two agencies, which were submitted to the legislature on February 15, 2014, as required under Laws 2013, Chapter 108, Article 11. When fully implemented in 2015, the integrated license structure will replace an interim process the legislature established in 2013 whereby MDH enforces the HCBS requirements under its home care license until the integrated license structure is implemented.

## Proposal

Under the integrated licensing proposal, home care providers licensed by MDH who provide one or more of the Basic Supports and Services that require licensure under Minnesota Statutes, Chapter 245D, may obtain an "HCBS designation" on their

home care license from MDH rather than seeking a separate HCBS license through DHS. To obtain an HCBS designation, a provider must comply with requirements for HCBS providers in addition to home care licensing standards. Specifically the proposal does the following:

- Establishes authority for MDH to monitor compliance with Integrated License- HCBS Designation requirements of Chapter 245D which include Person Centered Planning in section 245D.07; Protections in section 245D.06; Emergency Use of Manual Restraints in section 245D.061; and Service Recipient Rights in section 245D.04, subdivision 3, paragraph (a), clauses 5, 7, 8, 12, and 13 and paragraph (b);
- Establishes authority for MDH to receive HCBS designation applications and issue the designation to qualified applicants, conduct surveys of the HCBS services, issue correction orders, and take enforcement actions beginning July 1, 2015;
- Authorizes MDH to continue providing interim oversight of HCBS services for the 200 home care providers who also offer HCBS services before July 1, 2015, when the designation is implemented;
- Establishes an initial designation fee and a graduated renewal fee to cover the costs for MDH to oversee HCBS services by home care licensed providers starting with the interim period; and
- Establishes a mechanism to support ongoing coordination and oversight of HCBS services by the two agencies.

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