Elderly Waiver-Monthly Conversion
Budget Limits and Maintenance Needs Allowance Changes

TOPIC
The process to determine the monthly conversion budget limit for Elderly Waiver (EW) clients leaving nursing facilities (NF). July 1, 2017 Maintenance Need Allowance (MNA). This replaces bulletin #14-25-08.

PURPOSE
Notification to lead agencies of the procedure for requesting monthly conversion budget limits for EW.

CONTACT
PolicyQuest
For MMIS questions contact the DSD Resource Center at (651) 431-2450, (888) 968-8463 or dhs.resourcecenter@state.mn.us.

SIGNED
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TERMINOLOGY NOTICE
The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.
# Elderly Waiver-Monthly Conversion Budget Limits and Maintenance Needs Allowance Changes

## Contents

- **TOPIC**: 1
- **PURPOSE**: 1
- **CONTACT**: 1
- **SIGNED**: 1
- **TERMINOLOGY NOTICE**: 1

### I. Maintenance Needs Allowance

### II. Monthly conversion budget limits

### III. Process for requesting a conversion budget limit

- Determining the conversion budget limit: 3
- Determining the conversion budget limit for people using Consumer Directed Community Supports (CDCS): 4
- Requesting approval for a conversion budget limit: 5

### IV. Annual approval of monthly conversion budget limits

- Authority: 6
- Americans with Disabilities Act (ADA) Advisory: 6
I. Maintenance Needs Allowance

For clients who are eligible for the Special Income Standard – Elderly Waiver (SIS-EW) the Maintenance Needs Allowance (MNA) as of July 1, 2016 is $988. The most current Elderly Waiver Maintenance Needs Allowance can also be found in the Minnesota Health Care Programs Eligibility Policy Manual.

II. Monthly conversion budget limits

A monthly conversion budget limit is an exception to the monthly case mix budget caps for an Elderly Waiver (EW) participant leaving a nursing facility (NF). Monthly conversion budget limits may be requested for approval by DHS when the monthly EW case mix budget caps are insufficient to support the services and supports needed to return a person to community living from a nursing facility pursuant to Minnesota Statutes, section 256B.0915, subdivision, 3b. A monthly conversion budget for the cost of EW services may be requested for a person who is:

- A resident of a certified nursing facility and
- Lived in the nursing facility for 30 or more consecutive days at the time of requesting a determination of eligibility for EW.

To determine if the costs of EW services would exceed the average monthly case mix budget cap, the procedure is as follows:

- Determine the cost of the authorized services in the coordinated services and support plan (CSSP)
- Compare the authorized service costs to the applicable EW program monthly case mix budget cap published in edocs DHS-3945

1. If the cost of services in the CSSP is equal to or less than the assigned case mix budget cap, the person does not require a monthly conversion budget limit.
2. If the cost of services in the CSSP exceeds the assigned case mix budget cap, the person may access a higher monthly case mix budget cap equal to but no more than the per day cost to Medical Assistance that is determined by the resident assessment system in the nursing facility (NF) where the person currently resides.

Note: Monthly conversion budget limits are not available to persons receiving services on the Alternative Care (AC) program.

III. Process for requesting a conversion budget limit

Determining the conversion budget limit

The case manager must complete the Elderly Waiver Conversion Rate Request form DHS-3956-ENG. The form is fillable and includes the necessary calculations.
The following calculation is used within the EW Conversation Rate Request form to determine the Medical Assistance cost in the NF for the person requesting a conversion budget limit.

1. Determine the annual rate. Multiply the per diem (daily) rate charged by the NF for the person by 365. The daily rate is found on the NF remittance advice.
2. Divide the annual rate by 12 to establish the person’s average monthly cost for NF care.
3. Subtract the current Maintenance Needs Allowance (7-1-16 $988) from the resulting figure in step 2.
4. Compare the result in step 3 to the cost of implementing the person’s CSSP. The monthly conversion budget limit cannot be greater than the amount determined by using the above formula.

Determining the conversion budget limit when using Consumer Directed Community Supports (CDCS)

Minnesota Statutes, section 256B.0915, subdivision 3b, sets the monthly conversion budget limits for persons moving from the NF with EW CDCS services. The monthly conversion budget limit is equal to the NF rate reduced by the percent difference between the CDCS budget limit according to the federally approved waiver plan and the corresponding community case mix cap. The MNA is not subtracted from this amount. The MNA was already removed from the CDCS budgets.

Case managers must complete the Elderly Waiver CDCS Conversation Rate Request form DHS-3956A-ENG. The form is fillable and includes the necessary calculations.

The following calculation is used within the EW CDCS Conversion Rate Request form.

1. Determine the annual rate – Multiply the per diem (daily) rate charged by the NF for the client by 365. The daily rate is found on the NF remittance advice.
2. Divide the annual rate by 12 to establish the client’s average monthly cost for NF care.
3. Multiply the monthly NF rate by the percentage corresponding to the case mix classification which was assessed for the person. Select the appropriate case mix from the drop-down box found in eDoc DHS-3956A (Elderly Waiver CDCS Conversion Rate Request).
4. The remaining amount is the maximum monthly amount that can be utilized to implement a person’s CSSP using the CDCS service. This limit is the maximum that can be approved.

CDCS Conversion Rate Example

Jack is in a NF and the daily rate for the past 30 days is $190/day. He wishes to leave the NF using EW with CDCS services. He has been assessed as a case mix A. The maximum monthly conversion budget limit to use is calculated as follows:

\[ \text{$190/daily rate in NF} \times 365 \text{ days} = \frac{69,350}{12} = \text{$5779/month in the NF.} \]

Look at DHS-3956A and find the corresponding percentage for case mix A, which is 50%.

Multiply the monthly rate in the NF by the % difference \[ \text{$5779} \times .50 = \text{$2889/month CDCS maximum conversion rate limit. This amount should be compared to the cost of care plan for Jack.} \]
**Requesting approval for a conversion budget limit**

For persons who meet the criteria for a monthly conversion budget limit and who must access the higher budget cap to pay for services necessary for their return to the community, the case manager/care coordinator must do the following:

1. Determine the monthly conversion budget limit service cap available to the person using the steps above.

2. Provide detailed documentation of the need for service costs in excess of the case mix budget otherwise available. The detail must include:
   - The most recent assessment results and CSSP as rationale for an amount of service or staff qualifications to justify the budget limit requested.
   - The completed EW Conversion Rate Request form ([DHS-3956-ENG](#)), or the completed EW CDCS Conversion Rate Request form ([DHS-3956A-ENG](#)).
   - A copy of the NF remittance advice showing the person’s per diem rate.
   - Documentation which shows the detail of the cost of care requested in the community including any rate setting tools made available and required by the Commissioner of Human Services. This would include using the EW Residential Services Tool (RS Tool) which is used to establish rates for Foster Care, Residential Care and Customized Living.

3. For EW participants not enrolled in a managed care plan, all required paper documentation should be sent to: Department of Human Services (DHS), Aging and Adult Services Division, PO Box 64976, St Paul, MN 55164-0976 or FAX requests to: 651-431-7415. RS Tools should be submitted in the standard way.

4. For EW participants who are enrolled in a managed care plan, DHS-3956 and any RS Tools must be submitted to and approved by the health plan. Contact the health plan for instructions to request approval of monthly conversion budget limits. If the client is enrolled in a health plan that uses MMIS for claim payment, DHS-3956 or DHS-3956A and any RS tools must be approved by the health plan before sending them to DHS to approve in MMIS.

5. Place the higher monthly conversion budget limit in MMIS in the Case Mix/DRG Amount field on the Long Term Care (LTC) screening document. This will cause edit 784 (Case Mix/BI W screening document requires approval) to post and keep the screening document in suspense. If there are no other suspending edits, edit 784 will automatically route the screening document to DHS staff for review the following work day. DHS staff will review the documentation submitted and will approve the higher amount or request further information from the case manager/care coordinator.

If the conversion budget amount approved at discharge from the NF is less than the maximum conversion budget limit, it may be increased within the first 12 months up to the maximum conversion budget limit upon commissioner approval. These changes must be approved by DHS or the Managed Care Organization (MCO). After the first year approval of a conversion budget, it may not be increased other than for state authorized cost of living adjustment (COLA) increases. A conversion budget is no longer needed when the client’s needs can be met within the published case mix budget caps.
IV. Annual approval of monthly conversion budget limits

Monthly conversion budget limit requests need to be submitted for approval annually. Minnesota Statutes, section 256B.0915, subdivision 3b clarifies that the initially approved monthly conversion budget shall be adjusted by any legislatively adopted home and community based percentage rate adjustment. All requests submitted to extend monthly conversion budgets at renewal may not exceed this new adjusted amount and must include detailed documentation of any continued need for service costs resulting in EW costs greater than the case mix budget otherwise available to the person. The detail must include the most recent assessment results and CSSP as rationale for an amount of service or needed staff qualifications to justify the monthly conversion budget limit requested. Documentation showing the detail of the need and charge for services to be authorized is also to be included annually. The EW Residential Services Tool (RS Tool) should be utilized used to justify and request rates for Foster Care, Residential Care and Customized Living. The justification should provide evidence that the units of needed component services and/or qualifications of needed staff exceed that which is available within the current limits and that other supports outside of the budget have been maximized. The request must include units of service to be provided, the calculation of shared service costs for transportation, socialization and congregate meals and cannot include base service package charges.

The RS Tool allows for the documentation and approval of monthly conversion budget limits. [Instructions for the use of the Residential Services Tool](#) describes the authorization form and process for conversion rate approval when using the RS Tool. When the monthly conversion budget limit is to be approved by DHS, follow the directions and provide justification for all services on the audit report. When the service costs will be reimbursed by a health plan, follow their process for receiving approval to authorize the monthly conversion budget limit. Health plan approval of the conversion budget limit must be obtained before the RS tool is submitted.

**Authority**

Minnesota Statutes, section 256B.0915, subdivision 3b

**Americans with Disabilities Act (ADA) Advisory**

This information is available in accessible formats for people with disabilities by calling (651) 431-2500 (voice) or toll free at (800) 882-6262 or by using your preferred relay service. For other information on disability rights and protections, contact the agency’s ADA coordinator.