



Home Health Care Licensing Reform

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
State Gov Special Revenue Fund				
Expenditures	2,589	2,508	2,508	2,508
Revenues	1,639	2,415	2,571	2,728
Net Fiscal Impact	950	93	(63)	(220)

Summary

This proposal protects vulnerable adults and other consumers by ensuring home health care settings are safe, protected environments free from abuse and neglect. These changes:

- Ensure new home health providers meet state standards for safe, quality care.
- Increase inspection and enforcement efforts to match growth in the industry.
- Enhance and clarify state standards so that all home health care providers know what is expected of them.
- Streamline the licensing process so providers can focus on delivering quality care and the state can focus on enforcing standards.

Background

Home care providers offer a broad range of services to people of all ages in clients' homes. Home care services can range from helping clients with bathing and meals to providing specialized health care by licensed professionals, and caring for clients with cognitive and/or memory deficits.

Minnesota's home health care industry has grown in the last 20 years due to an aging population that increasingly prefers home-based care. The

Minnesota Department of Health (MDH) licenses 1,545 home care providers, which is an increase of 209 percent since 1995 and 24 percent since 2007. Eight percent or 196 of home care providers are federally certified under the Centers for Medicare and Medicaid Services (CMS) and meet Medicare requirements in addition to state licensure.

Since 1987, MDH has licensed and regulated the home care industry to ensure safe, quality care.

MDH accomplishes this by:

- Reviewing license applications from providers.
- Conducting on-site inspections (surveys).
- Taking enforcement actions as appropriate to protect the public.
- Providing information to consumers about their rights.
- Providing information to providers about how to comply with home care laws.

Current funding supports only four inspectors, one investigator, two licensing/enforcement staff, and some supervisory and administrative support to regulate more than 1,500 providers, many of whom operate in numerous locations. In 2011, these 9.25 full-time equivalent staff conducted 185 inspections of 108 distinct providers and received 331

For more information:

Legislative Liaison Matthew Collie, 651-201-5808
 Communications Director Michael Schommer, 651-201-4998

complaints, 95 of which were substantiated. MDH has taken enforcement actions against licensed home care providers for a variety of violations that result in unsafe conditions for clients, including:

- Failure to treat wounds or to notify doctors and families of changes in health condition.
- Failure to administer medications as ordered or to maintain record of medications given.
- Failing to use proper infection control standards.

This proposal was developed at the direction of the 2007 and 2012 legislatures. The 2007 Legislature authorized MDH to conduct strategic planning with providers, consumers, advocates, and regulators to identify and address regulatory issues in home care. MDH created the Homecare Regulatory Framework Workgroup including representatives from the Ombudsman for Long Term Care, Care Providers of Minnesota, Aging Services of Minnesota, Minnesota Home Care Association, AARP, Eldercare Rights Alliance, Minnesota Nurse's Association, Hospice Association, Alzheimer's Association, Minnesota Board of Nursing, Minnesota Board on Aging, and the Minnesota Department of Human Services (DHS). This group met over two and a half years, reviewed existing regulations and provided recommendations for revising the state's home care licensing regulations. The recommendations are part of this proposal.

During the 2012 legislative session, the Health and Human Services Omnibus bill, Article 2, Section 12 directed the MDH to provide recommendations to the legislature by February 1, 2013, on the development of a comprehensive plan to increase inspection and oversight of licensed home care providers in Minnesota. The Governor's budget proposal reflects these recommendations.

Proposal

- Supports staffing levels necessary to inspect each licensed provider once every three years and new providers within the first year of operation; to conduct license application reviews, complaint investigations, and enforcement actions in a timely fashion; and provide related administrative work (total of 18 full-time-equivalent staff).
- Streamlines four license types into two levels of licensure - Basic or Comprehensive - based on the level of services provided.
- Increases license application requirements to ensure applicants can provide home care service safely and have proper systems in place.
- Establishes a temporary one-year license for new providers during which an onsite inspection survey is conducted by MDH to ensure new providers are in compliance.
- Clarifies licensing requirements related to medication management and staff competency; reorganizes statutory provisions for easier readability; and provides a new website for providers and consumers.
- Establishes a transition period from the old licensure structure and requirements to the new structure and requirements.
- Creates an Advisory Council that includes client and provider membership to advise MDH on novel standards and provider practice issues.

Rationale

Minnesotans rely on the state to ensure home care is safe for vulnerable adults and children. Based on recommendations from a workgroup of consumers and providers, this proposal helps state oversight keep pace with growth and change in Minnesota's home care industry.

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