



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: MINNESOTA

Jenna Walls
Kathleen Gifford
Catherine Rudd
Health Management Associates

Rex O'Rourke
Martha Roherty
Lindsey Copeland
National Association of States
United for Aging and Disabilities

Wendy Fox-Grage
AARP Public Policy Institute

INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

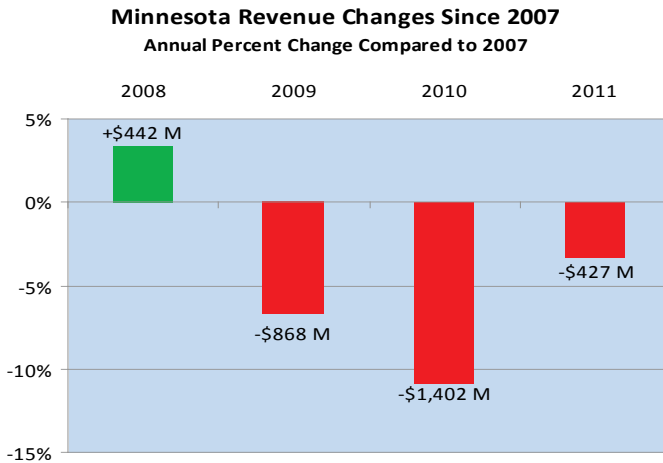
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

MINNESOTA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Minnesota balanced its budget without enhanced FMAP.
- The state placed a cap on disability waivers and cut rates for assisted living/customized living providers (5%).

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- No impact.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
73,500	74,000	74,000	1%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
6%–10%	6%–10%

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	DK
Adult Day Care	NA	NA	0
Adult Protective Services*	0	0	+
Assisted Living	+	+	+
Behavioral Supports	NA	NA	DK
Case Management	+	+	+
Chore	+	+	+
Community Transition	+	+	+
Congregate Meals	-	+	0
Day Habilitation	NA	NA	DK
Disease Prevention/Health Promotion	0	0	+
Elder Abuse Prevention	-	-	+
Environmental Modifications	NA	NA	DK
Equipment and Supplies	NA	NA	DK
Family Caregiver Support	0	0	+
Food Stamps/Supplemental Nutrition Assistance Program			DK
Foreclosure Counseling	NA	NA	DK
Homemaker	0	0	0
Home-Delivered Meals	-	+	+
Housing Assistance	NA	NA	DK
Information and Referral	+	+	+
Legal Assistance Development	0	0	DK
LIHEAP			DK
Long-Term Care Ombudsman	+	+	+
Nutritional Supplements	0	0	DK
Occupational Therapy	NA	NA	DK
Personal Care/Assistance	+	+	+
Physical Therapy	NA	NA	DK
Recreational Therapy	NA	NA	DK
Residential Habilitation	NA	NA	DK
Respite	+	+	+
Senior Community Service Employment Program	NA	NA	DK
Senior Centers	0	0	DK
Speech Therapy	NA	NA	DK
State Adult Guardianship Program	NA	NA	DK
State Pharmaceutical Assistance	+	+	+
Supported Employment	NA	NA	DK
Supported Living	+	+	DK
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation, physical abuse, neglect, emotional abuse, and sexual abuse.

- Financial exploitation has seen a significant increase. Family members are taking older adults' money in order to take care of their own families. Older relatives are being placed in assisted living, and the family does not pay the bills.

MINNESOTA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$30,400,000	\$31,258,000	\$33,650,000	3%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload*			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009– 2010
Elderly Waiver	19,653	20,846	20,990	6%
Community Alternatives for Disabled Individuals	13,330	14,516	15,716	9%
Community Alternative Care	300	325	349	8%
Traumatic Brain Injury	1,357	1,405	1,480	4%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census	18,338		Decrease	

- Waiver census data represents a monthly average.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011* (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$1,196,705,281	\$2,325,886,156	\$2,522,377,127	NA
Medicaid LTSS State Plan	\$500,000,000	\$525,000,000	\$590,000,000	5%
Nursing Facility	\$873,000,000	\$836,000,000	\$817,800,000	-4%

- SFY 2011 expenditures are projected (not appropriated).
- HCBS waiver SFY 2010 and SFY 2011 data include total LTSS waiver expenditures or appropriations so cannot be compared with SFY 2009 which includes only waivers serving the aged and physically disabled.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home		
Home Health		
Personal Care Services		
HCBS Waiver Services		
Assisted Living providers for services to elderly waiver participants		-5%
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded. See the Overview for descriptions of these provisions.

State’s Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don’t Know
State Balancing Incentive Program			X	
Community First Choice Option				X
Money Follows the Person Demonstration				
1. Apply for new program		X		
2. Apply for extension of existing program				
Medical/Health Home Initiative				
1. Agency applying for planning grant	X			
2. State plan amendment to establish medical/health home services	X			
3. Apply to establish community health teams			X	

STATE PRIORITIES: 18–24 MONTHS

- Implementing comprehensive assessments across all populations.
- Improving rate setting for consistency.
- Finding and developing less expensive models of service delivery, ensuring that they are sustainable and receive investment from local communities.

STATE ISSUES

- Reducing costs in Medicaid home and community-based services (HCBS) waiver and Older Americans Act programs in the most judicious manner.
- Developing alternatives to high-cost services and programs.

MINNESOTA

STATE PROMISING PRACTICES

- Early identification and treatment of Alzheimer's disease protocols and evidence-based caregiver support to families dealing with the disease.
- Minnesota Falls Prevention Initiative that includes a rapid screen for quick identification of people at risk, with risk management strategies provided to those identified.
- Return to Community Initiative passed by the legislature in 2009, which targets nursing facility residents who have expressed a desire to return home.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Minnesota's fiscal year begins July 1 and ends June 30.

