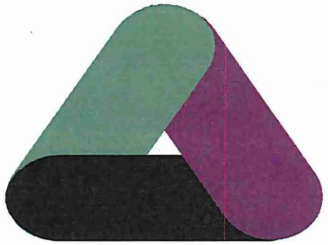


Affinity Health Services

State of Minnesota
Department of Veterans Affairs
Minnesota Veterans Homes

Implementation Plan

Implementation Plan

Introduction

The Minnesota Department of Veterans Affairs (MDVA) mission is "Dedicated to serving Minnesota's Veterans and their families". In 2007 Governor Pawlenty merged the Minnesota Department of Veterans Affairs and the Minnesota Veterans Home Board. The merger consolidated services and programs into one department that provides services, for thousands of Veterans in Minnesota, through the Veterans Services program and the Veterans Homes program.

The five Veterans Homes in the state provide for a variety of services which include skilled nursing care, dementia care, delivery of medications and medical treatment, nutritional services, palliative care and person centered care. Rehabilitative services, restorative nursing care, behavioral health, spiritual care, recreational therapy, and work programs are some of the other services offered.

The Minnesota Department of Veterans Affairs includes a Legislative division that works closely with the Senate and the House supporting the Veteran community interests. The Minnesota Department of Veterans Affairs, in their 2008 Strategic Plan, outlined goals for the Department as well as the Veterans Homes.

One MDVA goal is to "*ensure financial integrity and viability through the development of an attainable financial base that includes resources supplemental to and independent of state appropriated funds*". A similar goal to that is *"The Veterans Homes Program will ensure fiscal integrity".* This goal includes a feasibility study on the impact that the Center for Medicare and Medicaid Services (CMS) program participation would have on the Minnesota Veterans Homes.

Affinity Health Services, Inc., (Affinity) was contracted to conduct a feasibility cost / benefit study for Medicare / Medicaid certification. Affinity was tasked with determining opportunities for residents of the MVH to utilize Medicare Part A; Medicare Part B; Medicare Part D; and Medical Assistance.

Affinity conducted the study in five phases that included off-site and on-site data collection and analysis; an operational analysis; a financial analysis; a Gap analysis of compliance to the CMS Medicare / Medicaid regulations and compliance to Life Safety code. This last report, Phase III, provides the MVH with a sound basis for decision making and projection of revenues should the MVH choose to pursue any of the options identified in the cost benefit analysis.

Affinity recognizes that the MVH will need a guide to meet their chosen goals. The goals, as Affinity recognizes them, are in this Implementation Plan. The MVH would need to prioritize and strategize the plans. One key to success will be to continually re-evaluate the plan and concentrating its resources on important issues or utilizing additional outside resources to reach the goals.

The implementation of any plan should be a continuous but flexible process. The plan is designed to be done in three levels. The levels are:

- Short-range 1-3 months
- Medium-range 1 month – 6 months
- Long-range 6 months – 18 months

The plan will require commitment to the goals as change is not always easily obtained. Successful change is more likely to occur when organizational structures and processes are aligned to support the change.

a. Medicare Part A Certification – Enrollment

Goal Statement:

The goal is to enroll in the Medicare program in order to be eligible to receive Medicare payment for covered services provided to residents admitted to or residing in the MVH who are Medicare beneficiaries.

Implementation Plan:

1. Each Home must apply for a National Provider Identification (NPI) and receive *prior* to completing the Medicare program enrollment form CMS-855A.

2. Policy and procedures identified through the mock certification surveys, as needed for Medicare certification, should be finalized and adopted.

3. Training should be provided on any new or revised policies and procedures to appropriate staff members.

4. Each Home should immediately correct all issues of non- compliance identified during the mock.

5. Each Home should complete the necessary steps required for compliance with civil rights and BIPA.

6. Each Home (applicant) completes and submits the Medicare enrollment application form CMS 885A and all required supporting documentation to its designated Medicare fee-for-service contractor. The application cannot be submitted more than 30 days prior to the effective date listed in the application.

7. In addition to completing and submitting the application each Home *must simultaneously* contact their local State Survey Agency (SA) to signify the request for a certification survey. Failure to contact the SA in a timely manner may delay the enrollment process.

8. The fee-for-service contractor reviews the application and makes recommendations for approval or denial to the applicable CMS regional office.

9. Once the fee-for-service contractor makes a recommendation to approve enrollment, the SA conducts a survey. (CMS Region V and the MDH have indicated that new certification surveys are not a priority, are on Tier 4 in scheduling, and that it may take 18 months to be scheduled)

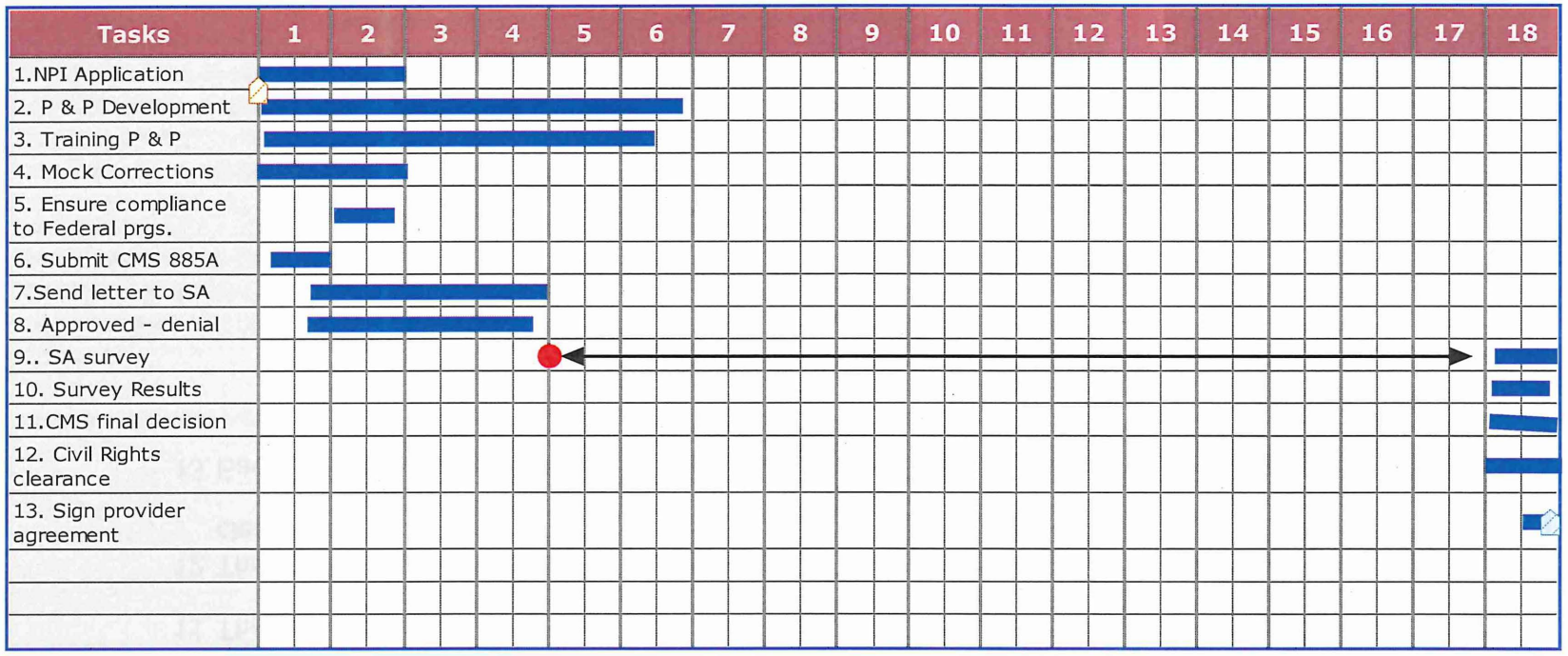
10. The SA makes a recommendation for approval or denial (a certification of compliance or non-compliance) based on survey results to the CMS Regional Office.

11. The final decision is rendered by the CMS Regional Office regarding program eligibility.

12. The CMS Regional Office also works with the Office of Civil Rights to obtain the necessary Civil Rights clearances.

13. Each provider (Home) must initiate signature of the provider agreement after CMS approval.

MEDICARE PART A CERTIFICATION - ENROLLMENT PROCESS 18 MONTH PLAN for One Home



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Key Dates			
	CMS Region V and MDH indicate that new certification surveys could take as long as 18 months to initiate		

b. Medicare Part A Certification – Implementation

Goal Statement:
The goal is to provide skilled services, as an approved Medicare Part A Provider, to the current residents and future residents in the MVH. To become enrolled as a qualified provider, submit claims, and receive reimbursement for services furnished to Medicare beneficiaries residing in each VA home.

Implementation Plan: (This plan is to be implemented once the Home receives their provider certification.)

Affinity understands that it could take up to one year for legislative changes to the 9050 rule in regard to the admission process of the Veteran. For this reason, the Implementation Plan could be a potential 18 month process with six months necessary for the remaining components of the plan.

1. Coordinate implementation plans in each Home to prepare for the admission or readmission of skilled residents for the Medicare Part A (PPS) level of care and benefits; develop or revise policies and procedures identified; and initiate changes to the admissions waiting list process.

2. Provide training in basic Medicare Part A and Medicare Part B that also includes eligibility, admission inquiries, coverage criteria, non-coverage, Medicare meetings, denials and the appeal process, and the Corporate Compliance program for the NHA, Director of Nursing, MDS Coordinators, nursing management staff, Admissions / Social Services, and business office staff.

3. Purchase billing software module for third party billing, schedule set up and billing training with vendor.

4. Provide training on Medicare case management, MDS, documentation, and Medicare / Medicaid utilization for the NHA, Director of Nursing, MDS Coordinators and billing clerk. This would include discussion and decision making for job duties and responsibilities for decision making, communication, Medicare meeting expectations, and therapy expectations.

5. Provide training program for the MDS coordinators and billing staff that includes Prospective Payment System (PPS) regulations, completion, transmission, and weekly Medicare meetings, and determinations, communication of coverage, MDS accuracy, denials and daily financial management.

6. Set-up a systematic collections process and policies that are tailored to more diverse revenue sources.

7. Training program for licensed staff on basic Medicare A and B services, daily skilled services, certifications, documentation, admission and discharge requirements.

8. Provide for the five MDS Coordinators to acquire MDS certification offered by The American Association of Nurse Assessment Coordinators (AANAC).

9. Provide outside resources to train the MDS coordinators, billing staff, and medical records personnel on the ICD 9 diagnosis coding.

10. Director of Nursing and key nursing management staff to identify what training or services will be needed to provide quality of care services to Medicare A skilled residents, i.e. IV therapy, respiratory therapy.

11. Provide skills training and competencies, as identified, to nursing staff or make provisions for the delivery of these services.

12. Provide information and training to the Medical Director and all attending physicians regarding the new provider certification, coverage requirements, services offered, and their role in the process.

13. Provide information and training to the Medical Records department staff regarding required paperwork (i.e. medical certification and recertification) and define their role in the denial and appeal process.

14. Educate residents, family members, local hospitals and the community regarding Medicare A determinations, coverage, and services as well as new services the MVH will be providing.

15. Develop and implement compliance audits i.e. therapy minutes, MDS accuracy, documentation reviews, and transmission reports.

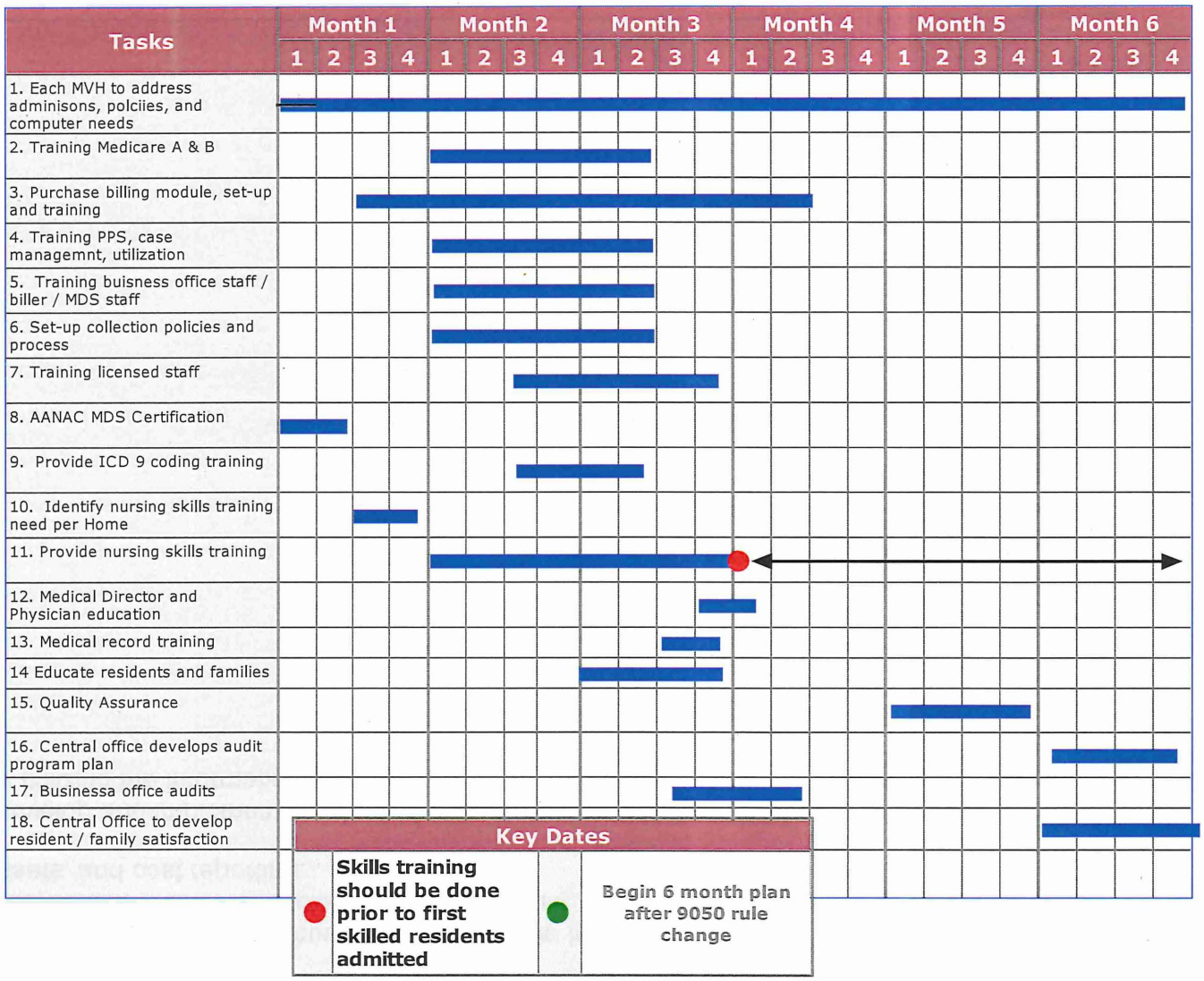
16. Develop systems for audits that support coding of the MDS, business office records, and mock surveys for compliance with Medicare guidelines, policy adherence, and vendor contract reviews.

17. Develop and implement business office audits for adjustments, general ledger, petty cash, billing, census, receivables, month end closing, resident trust, accounts payable, GL Account details, financials, fixed assets, and cost reporting.

18. Develop and implement resident / family annual satisfaction surveys to provide for improved quality of care by utilizing the information to trend, investigate the suggestions, and act on the information provided.

MEDICARE PART A CERTIFICATION - IMPLEMENTATION

Six Month Plan



c. Medicaid Certification

Goal Statement:

The goal is to pursue Medicaid certification in order to identify billable services on behalf of the veterans both for inpatient and ancillary services.

Implementation Plan:

1. MVH legal counsel to contact appropriate parties regarding regulations specific to the bed moratorium for an official interpretation this statue.
2. Purchase billing software for the business office.
3. Provide for updated policies and procedures specific to Medicaid billing processes and operational changes.
4. Provide training for MDS Coordinators, billing and admission personnel that include accurate coding of the MDS, Minnesota Case Mix Classification, payment, billing, admission, primary payer decisions and Medicaid rules.
5. Provide training for MDS Coordinators that includes Medicaid audits, electronic submissions, resident classification notice, and requests for reconsideration, MDS worksheets, and bed holds.
6. Provide notification and education for the Medical Director and other physicians regarding the changes and their responsibility in the Medicaid program.
7. Provide for ICD 9 coding for MDS coordinators and billing staff.
8. Meet with and educate the residents and families regarding Medicaid qualifications and processes.
9. Assist eligible residents to enroll in the Medicaid program.

MEDICAID CERTIFICATION IMPLEMENTATION PLAN - 6 MONTH TIME LINE

Tasks	MONTH 1				MONTH 2				MONTH 3				MONTH 4				MONTH 5				MONTH 6			
	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
1. MVH legal counsel to advise on moratorium																								
2. Purchase billing software																								
3. Provide for updated polices																								
4. General Medicaid training																								
5. Medicaid program participation training																								
6. Medical Director and physician notification and education																								
7. ICD 9 Coding training																								
8. Meet and educate residents and families																								
9. Assit residents with Medicaid eligibility and enrollment																								

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Information			
	Medicaid enrollment plan is completed when residents are enrolled and staff are all trained		MN statues require Medicare certiificaton to participate in Medicaid certificaton

d. Medicare Part D

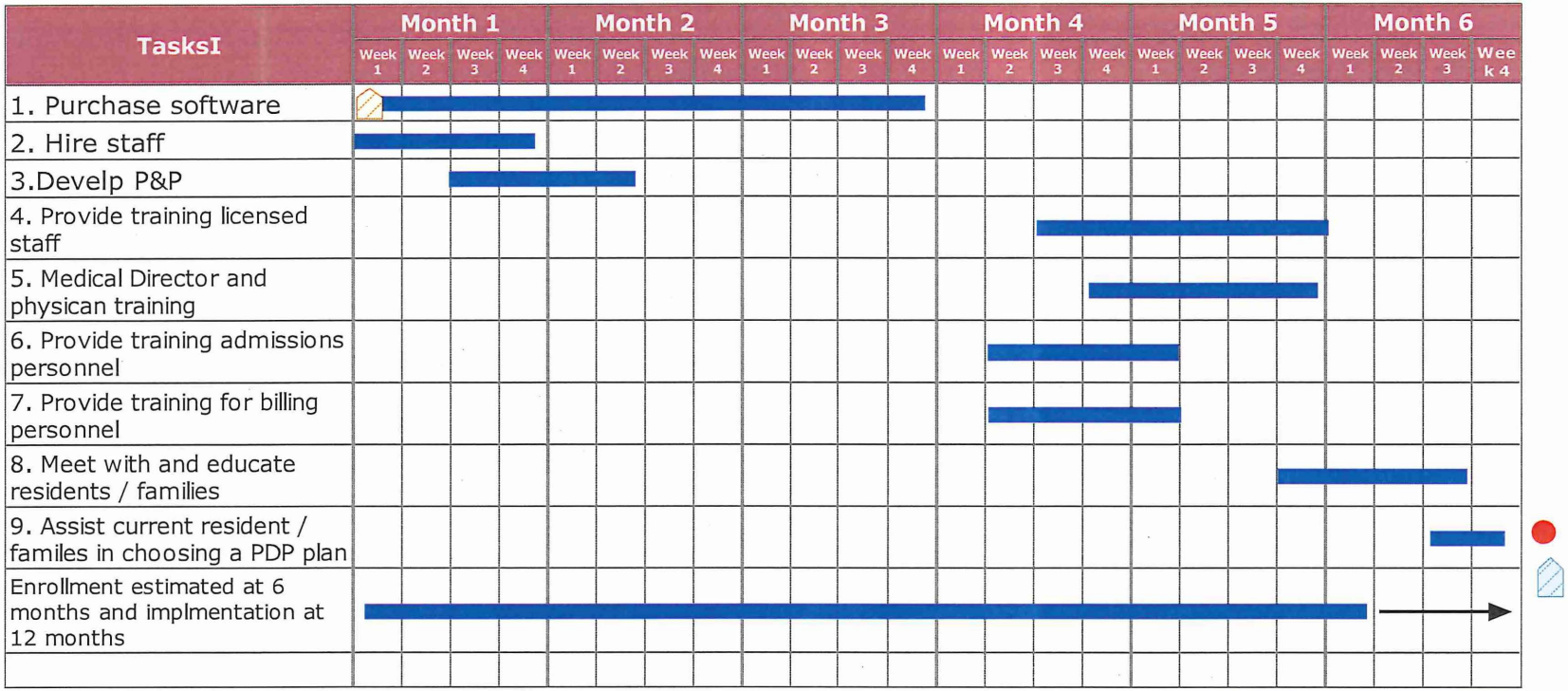
Goal Statement:

The goal is to implement Medicare Part D and other applicable insurance plans into the current in-house pharmacy model to save costs for the MVH.

Implementation Plan:

1. Purchase software for billing.
2. Hire experienced billing staff.
3. Coordinate the development of policies necessary to implement the changes with nursing management, and the pharmacy.
4. Develop educational components and in-service licensed staff on the systematic process changes that will take place in order for the pharmacy to bill Medicare Part D.
5. Notify the Medical Director and attending physicians of the change, the effective date of the change, and provide education on prescribing, formulary issues including non-covered drugs.
6. Provide training to admissions personnel on the PDP, eligibility, dual eligible residents, and enrollment.
7. Provide training to Medicare billing personnel on the program and changes affecting their process.
8. Meet with and provide education to residents and families regarding the change in contracted services and utilization of Medicare Part D.
9. Admissions and billing staff to assist the current residents and families in choosing a Medicare D plan.

MEDICARE PART D IN-HOUSE ENROLLMENT and IMPLEMENTATION PLAN Six Month Plan



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Key Dates	
	Enrollment is estimated for 6 months and implementaiton of the plan is estimate at 12 months

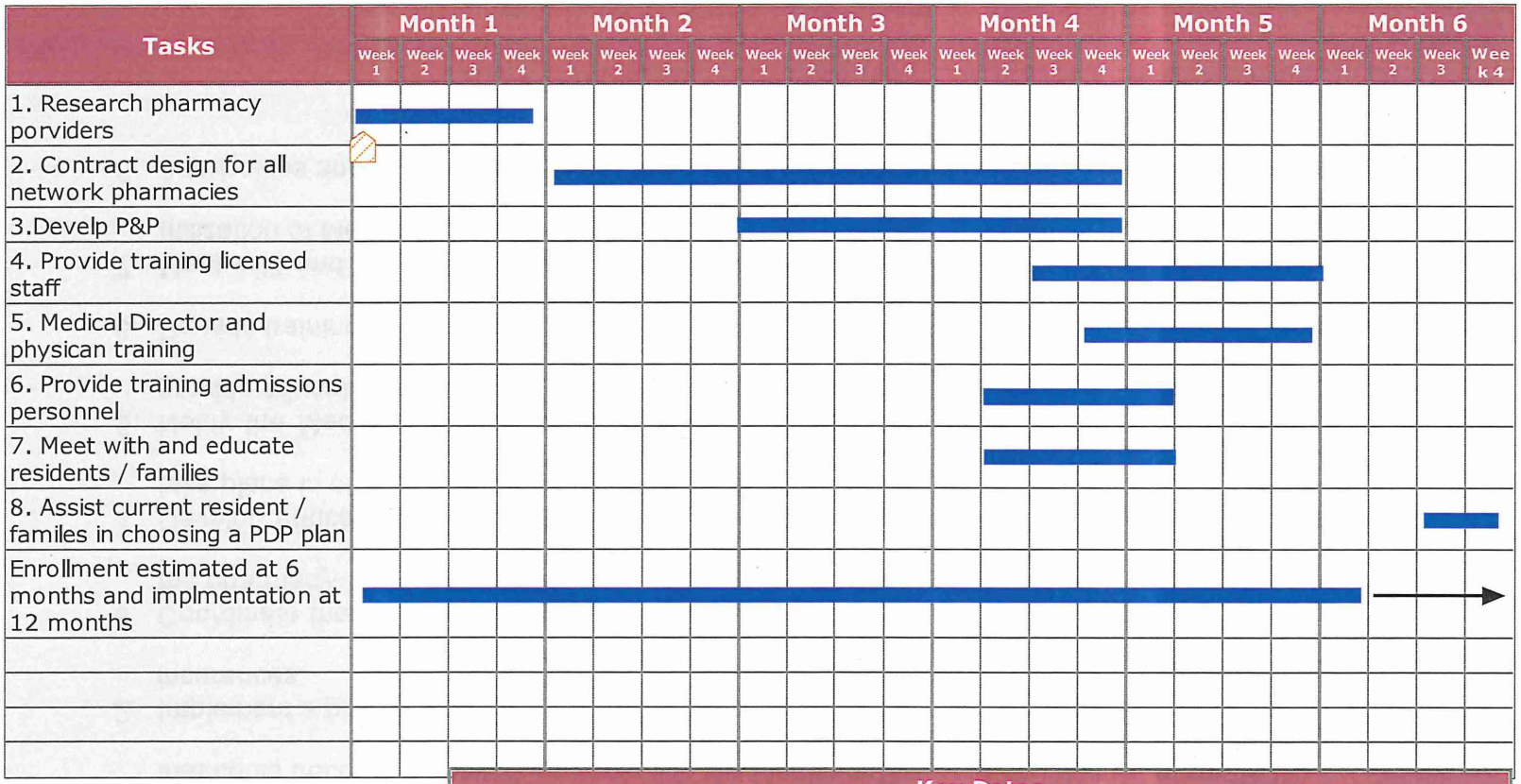
Goal Statement:

The goal is to utilize contracted pharmacy services that bill Medicare Part D and other insurances at a cost savings to each Home.

Implementation Plan: Initiate research into viability of contracts for pharmacy services that are currently a network pharmacy or that could become a network pharmacy in the Medicare Prescription Drug Program (PDP).

1. Initiate research into viability of contracts for pharmacy services that are currently a network pharmacy or that could become a network pharmacy in the Medicare Prescription Drug Program (PDP).
2. Implement a process to design all pharmacy contracts requiring all providers to bill Medicare Part D and other insurances.
3. Coordinate the development of policies necessary to implement the changes with nursing management and the pharmacy.
4. Develop educational components and in-service licensed staff on the systematic process changes that will take place in order for the pharmacy to bill Medicare Part D.
5. Notify the Medical Director and attending physicians of the change, the effective date of the change, and provide education on prescribing, formulary issues including non-covered drugs.
6. Provide training to admissions personnel on the PDP, eligibility, dual eligible residents, and enrollment.
7. Meet with and provide education to residents and families regarding the change in contracted services and utilization of Medicare Part D.
8. Admissions and billing staff to assist the current residents and families in choosing a Medicare D plan.

MEDICARE PART D CONTRACTED SERVICES - ENROLLMENT and IMPLEMENTATION PLAN Six Month Plan



Key Dates			
●	Enrollment is estimated for 6 months and implementaiton of the plan is estimate at 12 months		

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