

MHCA Board Meeting

January 19, 2017
 9:00 am – 3:00 pm

Minnesota HomeCare Association (MHCA)
 2550 University Av W, Suite 350 South
 St. Paul, MN 55114

Time	Item	Topic, Presenter	Type	Supporting Documents
9:00 am	I.	Call to Order <i>Jay Jones</i>	Action	
9:00 am	II.	Approval of Minutes <i>Jay Jones</i>	Action	November Minutes
9:05 am	III.	Approval of Agenda <i>Jay Jones</i>	Action	
9:05 am	IV.	Electronic Visit Verification <i>Kathy and Sandata Representatives</i>	Action	Federal Bill Language
9:50 am	V.	Treasurer Report <i>Austin Figge</i>	Action	2016 Year-End Report
10:00 am	VI.	Special Projects <i>Kathy Messerli</i> A. <i>Membership Consultant</i> B. <i>Website Make-over</i>	Information Action	
10:30 am	VII.	MHCA Dues Proposal	Action	Dues Proposal
11:00 am	VIII.	Team/Task Force Reports A. Clinical Quality – Sue Morgan B. Education Advisory– Judy Giel C. Legislative – Kim Olson D. MA – Lisa Fowler E. Medicare Team- Jan Usset F. Membership – Linda Hesse G. Survey/Regulatory – Austin Figge H. Rehabilitation – Andrea Jung I. Payment Reform - Kathy J. Workforce Task Force – Judy Giel	Information	
11:45 am	IX.	Lunch		
12:15 pm	X.	Legislative Priorities <i>Anni Simons via phone</i>	Information	
1:00 pm	XI.	LeadingAge and MHCA Collaboration <i>Jay, Kathy and Exec Committee</i>	Discussion	
2:30 pm	XII.	Executive Director Updates		

		<i>Kathy Messerli</i> A. Day at the Capitol B. MN First Provider Alliance C. Stakeholder Groups to BOD meetings D. DHS PCA Integrity Meeting E. MA F2F F. Dementia Training G. Membership Report		Membership Report
3:00 pm	XIII.	Adjourn	Action	

Next Meeting:

March 16, 2017, 9 am – 3 pm
MHCA Office

Meeting Minutes

Team: MHCA Board of Directors
Date: 11/8/2016
Time: 2:15 p.m.
Location: University of MN, Continuing Education and Conference Center: Courtside Room

ATTENDANCE							
Jay Jones, Chair	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Austin Figge, Treasurer	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Linda Hespe	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Kevin Goodno, GR Counsel	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone
Kim Olson, Vice Chair	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Lisa Fowler	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Judy Geil	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Jim Serakos, CPA	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone
Jan Usset, Past Chair	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Andrea Jung	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Susan Morgan	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone	Kathy Messerli, ED	<input checked="" type="checkbox"/> In Person <input type="checkbox"/> On Phone

TOPIC	DISCUSSION/FINDINGS	CONCLUSION/ACTION/FOLLOWUP
Call to Order	Board Chair, Jay Jones called meeting to order at 2:15 p.m.	Previous Board minutes and agenda approved with change to list S. Morgan as present at prior retreat.
Legislative Priorities	Kevin Goodno presented. See handout for MHCA priorities. Kevin provided an overview of the upcoming session. Legislators are asking for reform before increasing rates. LTC Imperative: Legislators don't seem interested in giving more \$ to LTC (300M given in last biennium). Best Life Alliance continues to advocate for increases in home services. SEIU Union for PCA still moving forward. Spenddown: Fiscal note very high. Discussed if 2.75 co-pay could be part of this-add as a priority? F2F: Will learn more in January. States can choose to waive for managed care. 2/3's of homecare clients are under MCOs.	All Priorities were approved by the Board members.
Finance Report	Jim presented a Financial 101 to Board. Reviewed history & current status of MHCA financial situation, along with A. Figge, Treasurer. K. Messerli reviewed 2017 Budget.	Unanimous approval of 2017 Budget

TOPIC	DISCUSSION/FINDINGS	CONCLUSION/ACTION/FOLLOWUP
Team Reports	<ul style="list-style-type: none"> A. Clinical Quality: Group working in tandem with Rehab Team to prepare presentation at Spring Conference. B. Education: Many Topics to cover: Medicare, F2F, Comp. Only Training. Education Calendar looks good for 2017. C. Legislative Team: Already covered by Kevin D. MA: Working on CFSS, PCA, EVV, VBP E. Medicare: Anti-discrimination Policy/F2F F. Membership: Working on improving the Dues Proposal-see handout. G. Survey/Regulatory: Developing Audit tool for Surveys, F2F, MDH attending meeting in Jan. H. Rehab: Working on Co-Presentation & articles for Informer 	
Strategic Plan	<p>K. Messerli reviewed the Strategic Plan & compared with discussion items brought up at retreat. Suggestion made to look at measureable goals and outcomes.</p>	<p>Board Liaisons asked to work on measureable outcomes & send the top three priorities to Board Chair by January 9th. Choose from the 20 sub-categories.</p>
Executive Director Update	<p>K. Messerli presented:</p> <ul style="list-style-type: none"> A. Membership report-very few changes B. Workforce Taskforce: 3 sub-groups created. 1.) Sims Group, 2.) Employee Qualities, 3.) Increasing Student Awareness. C. Employment Hotline: Will be up & running 1/1/2017. D. Leading Age: Jay & Kathy will meet with their Board on 11/17/2016. E. Conference tomorrow: Registrations down. 110 in 2016 compared to 150 in 2015. F. DHS: More challenges exist in communication. PCA Summit meeting-did not result in good outcomes. 	
Executive Session	<p>Chair adjourned meeting at 6:05 p.m.</p>	

NEXT MEETING DATE	
Date:	Thursday, January 19 th , 2017
Time:	9 a.m. – 3 p.m.
Location:	MHCA, 2550 University Ave. W., Ste. 350 S, St. Paul, MN 55114

SEC. 12006. ELECTRONIC VISIT VERIFICATION SYSTEM REQUIRED FOR PERSONAL CARE SERVICES AND HOME HEALTH CARE SERVICES UNDER MEDICAID.

(a) IN GENERAL.—Section 1903 of the Social Security Act ([42 U.S.C. 1396b](#)) is amended by inserting after subsection (k) the following new subsection:

“(l) (1) Subject to paragraphs (3) and (4), with respect to any amount expended for personal care services or home health care services requiring an in-home visit by a provider that are provided under a State plan under this title (or under a waiver of the plan) and furnished in a calendar quarter beginning on or after January 1, 2019 (or, in the case of home health care services, on or after January 1, 2023), unless a State requires the use of an electronic visit verification system for such services furnished in such quarter under the plan or such waiver, the Federal medical assistance percentage shall be reduced—

“(A) in the case of personal care services—

“(i) for calendar quarters in 2019 and 2020, by .25 percentage points;

“(ii) for calendar quarters in 2021, by .5 percentage points;

“(iii) for calendar quarters in 2022, by .75 percentage points; and

“(iv) for calendar quarters in 2023 and each year thereafter, by 1 percentage point; and

“(B) in the case of home health care services—

“(i) for calendar quarters in 2023 and 2024, by .25 percentage points;

“(ii) for calendar quarters in 2025, by .5 percentage points;

“(iii) for calendar quarters in 2026, by .75 percentage points; and

“(iv) for calendar quarters in 2027 and each year thereafter, by 1 percentage point.

“(2) Subject to paragraphs (3) and (4), in implementing the requirement for the use of an electronic visit verification system under paragraph (1), a State shall—

“(A) consult with agencies and entities that provide personal care services, home health care services, or both under the State plan (or under a waiver of the plan) to ensure that such system—

“(i) is minimally burdensome;

“(ii) takes into account existing best practices and electronic visit verification systems in use in the State; and

“(iii) is conducted in accordance with the requirements of HIPAA privacy and security law (as defined in section 3009 of the Public Health Service Act);

“(B) take into account a stakeholder process that includes input from beneficiaries, family caregivers, individuals who furnish personal care services or home health care services, and other stakeholders, as determined by the State in accordance with guidance from the Secretary; and

“(C) ensure that individuals who furnish personal care services, home health care services, or both under the State plan (or under a waiver of the plan) are provided the opportunity for training on the use of such system.

“(3) Paragraphs (1) and (2) shall not apply in the case of a State that, as of the date of the enactment of this subsection, requires the use of any system for the electronic verification of visits conducted as part of both personal care services and home health care services, so long as the State continues to require the use of such system with respect to the electronic verification of such visits.

“(4) (A) In the case of a State described in subparagraph (B), the reduction under paragraph (1) shall not apply—

“(i) in the case of personal care services, for calendar quarters in 2019; and

“(ii) in the case of home health care services, for calendar quarters in 2023.

“(B) For purposes of subparagraph (A), a State described in this subparagraph is a State that demonstrates to the Secretary that the State—

“(i) has made a good faith effort to comply with the requirements of paragraphs (1) and (2) (including by taking steps to adopt the technology used for an electronic visit verification system); and

“(ii) in implementing such a system, has encountered unavoidable system delays.

“(5) In this subsection:

“(A) The term ‘electronic visit verification system’ means, with respect to personal care services or home health care services, a system under which visits conducted as part of such services are electronically verified with respect to—

“(i) the type of service performed;

“(ii) the individual receiving the service;

“(iii) the date of the service;

“(iv) the location of service delivery;

“(v) the individual providing the service; and

“(vi) the time the service begins and ends.

“(B) The term ‘home health care services’ means services described in section 1905(a)(7) provided under a State plan under this title (or under a waiver of the plan).

“(C) The term ‘personal care services’ means personal care services provided under a State plan under this title (or under a waiver of the plan), including services provided under section 1905(a)(24), 1915(c), 1915(i), 1915(j), or 1915(k) or under a wavier under section 1115.

“(6) (A) In the case in which a State requires personal care service and home health care service providers to utilize an electronic visit verification system operated by the State or a contractor on behalf of the State, the Secretary shall pay to the State, for each quarter, an amount equal to 90 per centum of so much of the sums expended during such quarter as are attributable to the design, development, or installation of such system, and 75 per centum of so much of the sums for the operation and maintenance of such system.

“(B) Subparagraph (A) shall not apply in the case in which a State requires personal care service and home health care service providers to utilize an electronic visit verification system that is not operated by the State or a contractor on behalf of the State.”.

(b) **COLLECTION AND DISSEMINATION OF BEST PRACTICES.**—Not later than January 1, 2018, the Secretary of Health and Human Services shall, with respect to electronic visit verification systems (as defined in subsection (l)(5) of section 1903 of the Social Security Act ([42 U.S.C. 1396b](#)), as inserted by subsection (a)), collect and disseminate best practices to State Medicaid Directors with respect to—

(1) training individuals who furnish personal care services, home health care services, or both under the State plan under title XIX of such Act (or under a waiver of the plan) on such systems and the operation of such systems and the prevention of fraud with respect to the provision of personal care services or home health care services (as defined in such subsection (l)(5)); and

(2) the provision of notice and educational materials to family caregivers and beneficiaries with respect to the use of such electronic visit verification systems and other means to prevent such fraud.

(c) **RULES OF CONSTRUCTION.**—

(1) **NO EMPLOYER-EMPLOYEE RELATIONSHIP ESTABLISHED.**—Nothing in the amendment made by this section may be construed as establishing an employer-employee relationship between the agency or entity that provides for personal care services or home health care services and the individuals who, under a contract with such an agency or entity, furnish such services for purposes of part 552 of title 29, Code of Federal Regulations (or any successor regulations).

(2) **NO PARTICULAR OR UNIFORM ELECTRONIC VISIT VERIFICATION SYSTEM REQUIRED.**—Nothing in the amendment made by this section shall be construed to require the use of a particular or uniform electronic visit verification system (as defined in subsection (l)(5) of section 1903 of the Social Security Act ([42 U.S.C. 1396b](#)), as inserted by subsection (a)) by all agencies or entities that provide personal care services or home health care under a State plan under title XIX of the Social Security Act (or under a waiver of the plan) ([42 U.S.C. 1396 et seq.](#)).

(3) **NO LIMITS ON PROVISION OF CARE.**—Nothing in the amendment made by this section may be construed to limit, with respect to personal care services or home health care services provided under a State plan under title XIX of the Social Security Act (or under a waiver of the plan) ([42 U.S.C. 1396 et seq.](#)), provider selection, constrain beneficiaries' selection of a caregiver, or impede the manner in which care is delivered.

(4) **NO PROHIBITION ON STATE QUALITY MEASURES REQUIREMENTS.**—Nothing in the amendment made by this section shall be construed as prohibiting a State, in implementing an electronic visit verification system (as defined in subsection (l)(5) of section 1903 of the Social Security Act ([42 U.S.C. 1396b](#)), as inserted by subsection (a)), from establishing requirements related to quality measures for such system.

Minnesota HomeCare Association
Balance Sheet
As of December 31, 2016

				Dec 31, 16
ASSETS				
Current Assets				
		Total Checking/Savings		160,613.42
		Total Accounts Receivable		87,096.43
		Other Current Assets		
		Total 1200 · Mutual Funds-Reserve Account		428,372.29
		1499 · Undeposited Funds		75,235.90
		2500 · Prepaid Expenses		20,249.21
		Total Other Current Assets		523,857.40
		Total Current Assets		771,567.25
Fixed Assets				
		1300 · Office Equipment & Furniture		100,940.02
		1310 · Accumulated Depreciation		-94,470.15
		Total Fixed Assets		6,469.87
TOTAL ASSETS				778,037.12
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
		Total Accounts Payable		9,144.37
		Total Credit Cards		4,667.12
		Other Current Liabilities		
		3500 · Accrued Vacation		2,192.53
		3510 · Accrues Payroll		8,213.94
		Total 3600 · Deferred Revenue - Member Dues		199,158.64
		3620 · Deferred Revenue - Registration		11,310.00
		3630 · Deferred Revenue - Exhibits		14,425.00
		3801 · *Sales Tax Payable		5.00
		Total Other Current Liabilities		235,305.11
		Total Current Liabilities		249,116.60
		Total Liabilities		249,116.60
Equity				
		1600 · Retained Earnings		467,206.79
		Net Income		61,713.73
		Total Equity		528,920.52
TOTAL LIABILITIES & EQUITY				778,037.12

Minnesota HomeCare Association Profit & Loss Budget Performance December 2016

				Jan - Dec 16	YTD Budget	\$ Over Budget	Annual Budget
Income							
Total 2200 · Investment Income				35,346.33			
4000 · Membership Dues							
4001 · Agencies - Max. Rate Dues				186,110.00	181,080.00	5,030.00	181,080.00
4002 · Agencies - Variable Rate Dues				167,371.47	182,240.00	-14,868.53	182,240.00
4003 · Agencies - Min. Rate Dues				23,450.00	29,925.00	-6,475.00	29,925.00
4006 · Business Partner Dues				23,197.92	24,890.00	-1,692.08	24,890.00
Total 4000 · Membership Dues				400,129.39	418,135.00	-18,005.61	418,135.00
4100 · Event Income							
4110 · Annual Meeting							
4111 · Conference Registrations				85,410.00	93,500.00	-8,090.00	93,500.00
4112 · Exhibitor/Sponsor Registration				36,545.00	40,000.00	-3,455.00	40,000.00
4110 · Annual Meeting - Other				100.00			
Total 4110 · Annual Meeting				122,055.00	133,500.00	-11,445.00	133,500.00
4120 · Fall Conference							
4121 · Conference Registrations				24,682.00	28,750.00	-4,068.00	28,750.00
4122 · Exhibitor/Sponsor Registration				4,010.00	10,700.00	-6,690.00	10,700.00
Total 4120 · Fall Conference				28,692.00	39,450.00	-10,758.00	39,450.00
4130 · Education Seminars/Webinars				95,079.45	98,575.00	-3,495.55	98,575.00
4140 · Future of HC Conference							
4141 · Conference Registration				11,010.00	17,000.00	-5,990.00	17,000.00
4142 · Exhibitor/Sponsor Registration				11,075.00	12,500.00	-1,425.00	12,500.00
Total 4140 · Future of HC Conference				22,085.00	29,500.00	-7,415.00	29,500.00
Total 4100 · Event Income				267,911.45	301,025.00	-33,113.55	301,025.00
4200 · Sales							
4202 · Merchandise Sales				1,836.00	800.00	1,036.00	800.00
4203 · Revenue Share				5,255.02			
4205 · Non-Dues Revenue				5,896.80	8,000.00	-2,103.20	8,000.00
Total 4200 · Sales				12,987.82	8,800.00	4,187.82	8,800.00
4300 · Other (Misc) Income				1,766.80			
Total Income				718,141.79	727,960.00	-9,818.21	727,960.00
Gross Profit				718,141.79	727,960.00	-9,818.21	727,960.00
Expense							
7000 · Other (Misc) Expenses				1,282.01	2,000.00	-717.99	2,000.00
7100 · Merchandise Expenses				211.05	770.00	-558.95	770.00
7200 · Event Expenses							
7210 · Annual Meeting Expenses				59,680.39	68,543.00	-8,862.61	68,543.00
7220 · Fall Conference Expenses				9,529.91	27,064.00	-17,534.09	27,064.00
7230 · Education Seminars/Webinars				48,492.42	54,611.00	-6,118.58	54,611.00
7240 · Future of HC Conf. Expenses				12,336.67	17,841.00	-5,504.33	17,841.00
Total 7200 · Event Expenses				130,039.39	168,059.00	-38,019.61	168,059.00
Total 7300 · Operations Expenses				524,895.61	567,195.00	-42,299.39	567,195.00
Total Expense				656,428.06	738,024.00	-81,595.94	738,024.00
Net Income				61,713.73	-10,064.00	71,777.73	-10,064.00

Minnesota HomeCare Association

Profit & Loss Prev Year Comparison

January through December 2016

					Jan - Dec 16	Jan - Dec 15	\$ Change	% Change
Total 7300 - Operations Expenses					524,895.61	507,809.07	17,086.54	3.37%
Total Expense					656,428.06	695,430.71	-39,002.65	-5.61%
Net Income					61,713.73	60,030.63	1,683.10	2.8%

MN HomeCare Association Membership Committee Dues Structure Proposal / January 2017

Dues Model Update

You will notice on page two that the 3% increase for 2017 has been rolled out and the proposal for 2018 and beyond is outlined below with details on page two. A sub-group of board members provided input for the Membership Team, who addressed the concerns and presents the following proposal for the board's consideration.

2018 Proposal: Retool and Increase

In light of the fact that the changes are not as significant as originally discussed, the dues structure adjustments would be shared with MHCA members via a letter in late March. We would ensure that there is ample communication around the value of MHCA membership per member type. The changes would be effective with 2018 dues. Components of this revised model include:

- Include a combination of brackets and multiplier/millage rate.
- Be consistent across all types of agencies.
- Continue to offer the new member discount (50% dues discount in year one).
- Be based on the adjusted revenue.
- No longer include the one membership per license protocol.
- New tiers of \$2M - \$10M and \$10M+ would be rolled out for 2018. The proposed dues on page two includes an increase of \$2,299 for 9 agencies (\$10M+) in 2018. These 9 agencies will be contacted individually to discuss the rate change.
- MHCA will implement the "all or none" membership rule.
- We would consolidate the \$10 million+ revenue agencies into one category.
- There would be approximately 5% dues increase each year.

The membership options will include:

- **Agency Membership:**
Members that are part of a multi-agency organization must join all eligible parts of the organization.
- **Individual Membership:**
This would include retired members, professionals in transition and other professionals who are not affiliated with a MHCA-eligible agency (not otherwise eligible through an organization). The dues for this category will be \$50.

Recommendation

The Board of Directors adopt the recommendation from the Membership Team for the dues structure through 2019, with an understanding that the dues increases would be reviewed again in 2018.

Dues Structure Proposal

Parameters for Dues Model	2016 Parameters	2017 (3% increase)
Min Dues (Up to \$268,500 revenue)	\$ 675	\$ 700
Millage Rate (\$268,501 - \$2M revenue)	0.002515	0.0025905
Max Dues (Over \$2M revenues)	\$ 5,030	\$ 5,200
Variables		
Revenue where Percentage Rate begins	\$ 268,500	\$ 268,500
Maximum Revenue to pay by percentage	\$ 2,000,000	\$ 2,000,000

Parameters for Dues Model	2018	2019	2020	2021
Increase	5%	5%	5%	5%
Minimum Dues (Up to \$325,000)	\$ 749	\$ 799	\$ 849	\$ 899
Pay percent of revenue \$325,000 - \$2M	0.002720	0.002856	0.002999	0.003149
\$2M - \$10M	\$ 5,499	\$ 5,799	\$ 6,099	\$ 6,399
\$10M +	\$ 7,499	\$ 7,899	\$ 8,299	\$ 8,749

Agency Summary (early 2016 data)	
Minimum Dues Payers	27
\$268,500 - \$2M	90
\$2M - \$10M	26
\$10M +	9

2017 Membership Report

as of 01/06/2017

MEMBERS	Count	Income
New	6	\$3,907.00
Renewed	56	\$164,115.83
Total	62	\$168,022.83
Not Renewed	114	

See notes*

2016	2015	2014
5	1	8
68	80	84
73	81	92
107	99	80

Dues Level	Count	Income
Maximum	20	\$101,400.00
Variable	24	\$55,422.83
Minimum	18	\$11,200.00

MEMBERSHIP RENEWAL

Year	Count	%
2017	56	33%
2016	170	

39% 45% 51%

BUSINESS PARTNERS	Count	Income
New	1	\$337.50
Renewed	13	\$8,755.00
Total	14	\$9,092.50
Not Renewed	26	

See notes*

2016	2015	2014
2	0	3
16	14	14
18	14	17
24	29	21

BUSINESS PARTNER RENEWAL

Year	Count	%
2017	13	33%
2016	39	

40% 33% 39%

BUDGET COMPARISON - Members and Business Partners combined

	2017	2016	Variance
Income (actual)	\$177,115.33	\$400,129.39	(\$223,014.06)
Budget	\$421,487.00	\$418,135.00	\$3,352.00
Over/Under Budget	(\$244,371.67)	(\$18,005.61)	(\$226,366.06)

* Notes: