CHAPTER 4656
DEPARTMENT OF HEALTH
MEDICAL ASSISTANCE PROGRAM

REVIEW OF CARE AND CLASSIFICATION OF RESIDENTS IN FACILITIES PARTICIPATING IN THE MEDICAL ASSISTANCE PROGRAM

4656.0010 SCOPE.

Parts 4656.0010 to 4656.0090 establish procedures for the assessment of the appropriateness and quality of care and services furnished to medical assistance sponsored residents of facilities certified for participation in the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1984, under Minnesota Statutes, section 144.072. Parts 4656.0010 to 4656.0090 also establish procedures for the assessment of private paying residents in certified nursing homes and boarding care homes, under Minnesota Statutes, section 144.0721, and for the classification of medicaid sponsored and private paying residents in certified nursing homes and boarding care homes, under Minnesota Statutes, section 144.0722. Procedures for determining the operating cost payment rates for all certified nursing homes and boarding care homes are found in rules of the Department of Human Services, parts 9549.0050 to 9549.0059.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

4656.0020 DEFINITIONS.

Subpart 1. **Applicability.** As used in parts 4656.0010 to 4656.0090, the following terms have the meanings given them.

Subp. 2. **Assessment form.** "Assessment form" means the form developed by the department's quality assurance and review program and used for performing resident assessments.

Subp. 3. **Certified.** "Certified" means authorized to participate in the medical assistance program under United States Code, title 42, sections 1396 to 1396p as amended through July 18, 1984. Before certification, facilities must be licensed by the state under parts 4655.0090 to 4655.9900, and must also meet any additional requirements established by certification standards under the Social Security Act.

Subp. 4. **Department.** "Department" means the Minnesota Department of Health.

Subp. 5. **Guideline for Isolation Precautions in Hospitals.** "Guideline for Isolation Precautions in Hospitals" means the six guidelines written by Julia S. Garner, RN, and Bryan P. Simmons, MD, reprinted by the United States Department of Health and Human Services, Public Health Service, Center for Disease Control, from Infection Control July/August 1983 (Special Supplement); 4 (suppl): pages 245 to 325. The guidelines are incorporated by reference. They are available at the State Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, MN 55155. This material is not subject to frequent change.

Subp. 6. **Medical plan of care.** "Medical plan of care" means documentation signed by the resident's physician which includes the resident's primary diagnoses, secondary diagnoses, orders for treatments and medications, rehabilitation potential, rehabilitation procedures if ordered, clinical monitoring procedures, and discharge potential.

Subp. 7. **Private paying resident.** "Private paying resident" means a nursing home or boarding care home resident who is not a medical assistance recipient.

Subp. 8. **Quality assurance and review or QA&R.** "Quality assurance and review" or "QA&R" means the program established under Minnesota Statutes, sections 144.072 and 144.0721.

Subp. 9. **Resident.** "Resident" means an individual residing in a facility certified for participation in the medical assistance program under United States Code, title 42, sections 1396 to 1396p as amended through July 18, 1984, unless otherwise provided in parts 4656.0010 to 4656.0090.

Subp. 10. **Resident class.** "Resident class" means each of the 11 categories established in part 9549.0058.

Subp. 11. **Resident plan of care.** "Resident plan of care" for residents of nursing facilities means the comprehensive care plan as set forth in Code of Federal Regulations, title 42, section 483.20, paragraph (d), as amended through October 1, 1992.

Subp. 12. **Resident record.** "Resident record" means the entire record of a resident compiled by the nursing home or boarding care home. The resident record must include the following:

A. the admission record;

B. the medical plan of care;

C. the resident plan of care;

D. documentation from services providing care to the resident;

E. reports of any diagnostic testing, consultation, and other services;

F. a copy of any transfer data provided to another health care facility; and

G. a discharge summary.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239; 18 SR 2584*

4656.0030 ANNUAL RESIDENT ASSESSMENT.

Subpart 1. **Inspection of care requirements.** The department shall annually assess the appropriateness and quality of care and services provided to medical assistance sponsored residents in every certified facility, and to private paying residents in certified nursing homes and boarding care homes. Assessments must be conducted in accordance with the inspection of care requirements established by Code of Federal Regulations, title 42, sections 456.600 to 456.614. However, provisions relating to recommendations for changes in the level of care provided shall not apply to private paying residents.

Subp. 2. **Assessment process.** A registered nurse shall complete an assessment form for each resident at the time of the inspection undertaken pursuant to subpart 1. The assessment form shall be completed in accordance with procedures established in the Inspection of Care Instruction Manual with Procedures for Completing Case Mix Requests for Classification published by the department. Part IV C. and D. of the July 1987 version of the manual are incorporated by reference. This manual is available at the State Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, Minnesota 55155. This material is not subject to frequent change. The completed assessment form must reflect the resident's

needs at the time of the assessment. The assessment process includes observation of the resident, review of the medical record, and when necessary, staff interviews.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

CASE MIX REIMBURSEMENT CLASSIFICATIONS

4656.0040 CLASSIFICATION OF ASSESSMENTS COMPLETED BY REVIEW TEAMS.

Within 15 working days of receiving assessment documents submitted under part 4656.0030, the department shall classify each resident of a certified nursing home or boarding care home into one of the resident classes prescribed by part 9549.0058, subparts 1 and 2, and mail a written notice of the classification to the resident and to the facility. The written notice must specify that the resident or the resident's authorized representative and the facility have the right to review the department's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the area nursing home ombudsman.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

4656.0050 REVIEW AND CLASSIFICATION OF FACILITY AND PREADMISSION SCREENING ASSESSMENTS.

Subpart 1. **Assessment instructions.** Assessment forms which are completed in accordance with part 9549.0059 must be completed by using the procedures established in the Facility Manual for Completing Case Mix Requests for Classification published by the Minnesota Department of Health. Part IV C. of the July 1987 version of the manual are incorporated by reference. This manual is available at the State Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, Minnesota 55155. This material is not subject to frequent change.

Subp. 2. **Classification or notification of incomplete assessments.** Within 15 working days of receiving a request for classification submitted under part 9549.0059, the department shall classify the resident into one of the resident classes established under part 9549.0058 or notify the individual completing the assessment or the facility furnishing the documentation of the need to submit additional information necessary for determining the classification.

Subp. 3. **Requests requiring additional information.** When additional information requested under subpart 2 has been submitted and the department has determined that the request for classification is complete and accurate, the department shall classify the resident into one of the resident classes established under part 9549.0058 and mail a written notice of the classification to the resident and to the resident's facility within 15 working days.

Subp. 4. **Classification notice.** Classification notices provided under this part must include the resident's classification, as well as a statement which informs the resident, the resident's authorized representative, and the facility of the right to review the department's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the area nursing home ombudsman.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

4656.0060 FACILITY RESPONSIBLE FOR DISTRIBUTING CLASSIFICATION NOTICES.

Within three working days of receipt of the notice, the facility must provide the resident, the person responsible for the resident's payment, or another person designated by the resident with every classification notice mailed to the facility by the department under

parts 4656.0040, 4656.0050, and 4656.0080. If the resident's classification has changed, the facility must include the current rate for the new classification with the classification letter. When the private paying resident is not responsible for payment, the classification letter must be sent to the person who is responsible for payment or to the person designated by the resident.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

4656.0070 REQUEST FOR RECONSIDERATION OF RESIDENT CLASSIFICATION.

Subpart 1. **Reconsideration permitted.** The facility, the resident, or the resident's authorized representative may request that the department reconsider the classification.

Subp. 2. **Request for reconsideration.** A reconsideration request must be submitted in accordance with the provisions of Minnesota Statutes, section 144.0722, subdivisions 3, 3a, and 3b.

Subp. 3. **Review of requests and notification.** The department shall review the requests for reconsideration, affirm or modify the resident's classification, and notify the resident and the facility by letter of the classification within 20 working days.

Subp. 4. **Status of initial classification.** The resident classification established by the department must be the classification that applies to the resident while the request for reconsideration is pending.

Subp. 5. **Additional information.** The department reserves the right to request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239*

4656.0080 AUDITS OF ASSESSMENTS OF NURSING HOME RESIDENTS.

Subpart 1. **Audit types.** The department shall audit the accuracy of resident assessments performed under parts 9549.0050 to 9549.0059 through desk audits and on-site review of residents and their records. The department shall reclassify a resident it determines to have been incorrectly classified.

Subp. 2. **Unannounced audits.** The department is authorized to conduct on-site audits on an unannounced basis.

Subp. 3. **Access to records.** Facilities shall grant the department access during regular business hours, to examine the medical records relating to the resident assessments selected for audit under this part. For the purpose of clarifying or substantiating these records, the department may also speak to facility staff and physically observe the resident.

Subp. 4. **Documentation time frame.** The department shall consider the following documentation, as relevant to the audit process:

A. documentation recorded in the resident record up to four days after the date the resident returns from the hospital, but only as the documentation relates to the resident's condition at the time the resident is assessed under part 9549.0059, subpart 4, item A;

B. documentation recorded in the resident record up to nine days after the date the resident is admitted to the nursing home, but only as the documentation relates to the resident's condition at the time the resident is assessed under part 9549.0059, subpart 1; and

C. documentation recorded in the resident record up to the time the resident is assessed under parts 9549.0059, subpart 2 or subpart 4, item B and 4656.0030.

Subp. 5. **Routine audits procedures.** Facilities will be routinely audited at least once per calendar year in accordance with the following procedures:

A. The department shall select for audit either ten percent or ten, whichever is greater, of the assessments submitted in accordance with part 9549.0059, subpart 2, or ten percent or ten, whichever is greater, of the assessments submitted during the previous four months in accordance with part 9549.0059, subparts 1 and 4.

B. If more than 20 percent of the assessments audited under item A contain errors that could result in a change of classification, the auditors shall remain on-site and audit a second sample equal in size and selected from the same types of assessments as in item A.

C. If more than 35 percent of the assessments audited under items A and B contain errors that could result in a change of classification, the facility may be subject to an additional audit of up to 100 percent of the assessments. The decision of whether or not to schedule a 100 percent audit shall be made by the program manager of the Quality Assurance and Review Section and based upon a review of the case mix index, the remaining classifications not audited, a determination of the effect of the unaudited classifications on the case mix index, and staff availability.

Subp. 6. **Special audits.** The department may conduct special audits if it determines that circumstances exist that could alter or affect the validity of case mix classifications of residents. Examples of circumstances include the following: frequent changes in the administration or management of the facility; an unusually high percentage of residents in a specific case mix classification; a high frequency in the number of reconsideration requests received from a facility; frequent adjustments of case mix classifications as the result of reconsiderations or audits; a criminal indictment alleging provider fraud; or other similar factors that relate to a facility's ability to conduct accurate assessments.

Subp. 7. **Notice to facility.** No exit interview will be conducted at the facility to discuss the preliminary findings of the department. Within 15 working days of completing the audit process, the department shall mail the written results of the audit to the facility, along with a written notice to the resident and to the facility which contains the resident's classification and a statement informing the resident, the resident's authorized representative, and the facility of their right to review the department's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the area nursing home ombudsman.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239; 18 SR 2584*

4656.0090 DEATH, DISCHARGE, AND CHANGE OF PAYMENT SOURCE INFORMATION.

Every quarter, certified facilities shall provide updated information to the department relating to the deaths, discharges, and changes in payment source when the resident payment goes from private pay to medicaid sponsored that occurred within the facility the previous quarter. Facilities may elect to report payment source changes from private pay to Medicaid sponsored on either a monthly or quarterly basis. This information must be provided on forms developed by the department.

Statutory Authority: *MS s 144.072; 256B.502*

History: *12 SR 239; 18 SR 2584*