



Quality Assurance 2007

Report to the Minnesota Legislature on the Findings and
Recommendations of the Legislatively-Mandated
Quality Assurance Panel

Executive Summary

February 15, 2007



Project Overview

Expansion of Medicaid financed Home and Community Based (“waiver”) Services (HCBS) and other community service options in Minnesota has dramatically increased the number of settings in which people receive services. This has brought enormous challenges in monitoring service quality and protecting the well-being of persons who receive those services. In recent years there have been persistent reminders in media and government investigations of the gap between assurances of basic monitoring that the state has made in its HCBS waiver applications and the practical capacities and accomplishments of its quality assurance programs to fulfill those assurances.

Mandate

To consider approaches for addressing such challenges, in 2005 the Minnesota Legislature requested a study of local and regional quality assurance models that might be adopted statewide. Specifically, it requested that, “the Commissioner of human services shall arrange for a study, including recommendations for statewide development and implementation of regional or local quality assurance models for disability services. The study shall include a review of current projects and models; make findings regarding the best components, role, and function of such models within a statewide quality assurance system; and shall estimate the cost and sources of funding for regional and local quality assurance models on a statewide basis.”

Quality Assurance Panel

In response, the Department of Human Services (DHS) established a Quality Assurance (QA) Panel of citizen experts representing a range of perspectives and charged it with responsibility to recommend an approach to quality assessment and management of HCBS and related disability programs. Expectations for the recommended approach include that it —

1. Is applicable for all HCBS waiver recipients regardless of disability type or how and by whom their long-term services and supports are managed;
2. Meets federal expectations;
3. Reflects contemporary concepts of quality;
4. Is outcome-based;
5. Is valid and reliable in its assessments;
6. Exhibits cost-effectiveness in yielding needed products;
7. Is founded on previous experiences in Minnesota and elsewhere; and
8. Is sufficiently well-funded to meet the substantially increased requirements placed on it.

The QA Panel's work was guided by the expectations for quality assurance of the Centers for Medicare and Medicaid Services' (CMS) as specified in the CMS Quality Framework. The Quality Framework provides states with substantial guidance regarding their responsibilities in managing HCBS programs. Specifically it establishes state responsibility for programs of assessment (discovery), remediation and improvement in seven focus areas, including access; person-centered services; provider capacity; participant safeguards; rights and responsibilities; outcomes and satisfaction; and system performance.

The QA Panel met monthly throughout 2006. During the year, it heard from national QA experts, received reports of interviews, focus groups and surveys, read case studies of innovations in other states, regions and local communities, and participated in facilitated discussions. It then formulated and vetted its recommended model for Minnesota

A Recommended Model for Minnesota

The QA Panel recommends adoption of five key components of a reformed statewide quality assurance program to respond Federal expectations and State responsibilities for quality assurance and improvement for supports and services. These integrated components include —

1. A **State Quality Commission** to provide the needed leadership, attention, commitment and public awareness of the strengths and limitations, the successes and challenges in the services provided to Minnesotans with disabilities and to promote specific guided efforts throughout the state to improve the ability of long-term services and supports to protect the health and safety and to contribute to the quality of life of Minnesotans with disabilities;
2. **Regional Quality Councils** to provide leadership, analyze the results of the various quality assurance activities, identify needed program improvement and design and implement program improvement initiatives through training, technical assistance and print and electronic publications within six state regions to respond to regional and statewide priorities for establishing and maintaining high quality and continuously improving community services and supports;
3. An **annual independent statewide survey of a sample of service recipients** to determine and report the outcomes of services and supports provided to individuals with disabilities in Minnesota, with attention to services used, individual characteristics, and residential, employment and other circumstances associated

with service and lifestyle outcomes to establish the effectiveness of service system performance and to set and monitor the goals for system improvement. The Quality Assurance Panel recommends that the Legislature commit in this biennium to developing, field-testing and fielding a consumer interview survey that meets the cross-disability needs of Minnesota;

4. An **outcome-based quality assessment program** for service quality monitoring, including both licensed and unlicensed services, based on outcome-based interviews of a sufficient sample of individuals and caregivers supported by an organization to determine organizational performance with sufficient reliability to determine the level of service quality, issue program licenses as called for, recommend remedial activities, and inform the need for general and specific training, technical assistance, consumer education, and other service improvement activities;
5. An **effective program of incident reporting, investigation and analysis** that provides necessary protections, assures timely and appropriate response, and gathers and analyzes data to guide quality improvement initiatives;

Implementation and Timelines

The QA Panel recognizes that these programs will require time to be fully developed and urges haste in beginning the process. Without substantial progress, Minnesota's Medicaid HCBS applications are in jeopardy



of rejection, and Minnesota's citizens with disabilities are at risk of receiving services and supports that are of poorer quality than they have the right to expect. Therefore, the QA Panel strongly recommends that the State Quality Commission, the six Regional Quality Councils and the statewide survey be funded and implemented in the next biennium. The QA Panel also recommends that reports based on the current incident reporting, investigation and analysis system to be provided to the State Quality Commission and Regional Quality Councils and an implementation design for revisions to this system be funded in this biennium. The recommended reforms to create an outcome-based quality review program should likewise be undertaken with urgency.

The QA Panel recommends that changes to the QA system be phased in over time beginning with all HCBS Waiver Services for all persons with disabilities except for those whose services are funded by the "Elderly Waiver". As experience with these reforms is obtained, this new system could be expanded to services for all persons with disabilities funded under other programs including other state and county funded services and for persons in the "Elderly Waiver" program.

Cost

The cost of the State Quality Commission is estimated to be \$240,000 in the first year and \$224,000 in the second year of this biennium. The cost of the Regional Quality Councils is estimated to be \$2.9 million in the first year and \$3.1 million in the second year (the year 1 costs will be substantially lower if the Regional Quality Councils are not implemented on July 1, 2007). The costs of the annual statewide survey and analysis is estimated to be \$242,000 in the first year as the survey is finalized and pilot tested, and \$506,480 in the second year as the final survey is fielded for the first time with a sample of 3,400 service users. The cost of the recommended incident reporting, investigation and analysis system reforms is estimated to be \$100,000 in each of the next two years. The costs of the outcome-based service quality review have not been determined and funding is not requested for that activity at this time, but the QA Panel recognizes the importance of Department of Human Services working with diligence in moving from a system that has been regulation based to one that focuses on individual needs and service outcomes.

As a fundamental aspect of managing services in accordance with CMS requirements that states establish an effective infrastructure to support quality assurance and improvement, the cost of the new quality assurance and improvement infrastructure would be cost-shared by the Federal government at the Medicaid administrative rate (50% federal funds for an effective

rate of 40% once non-Medicaid services are included). Additional details and anticipated costs of these reforms are described in the full report of the Quality Assurance Panel.

The "proposed legislation for implementation of a statewide system of quality assurance" called for in the Legislature mandate that established the QA Panel and further details regarding the QA Panel's recommendations are included in the full version of this report available from the project's website at www.qapanel.org.

For More Information

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This report is submitted to the Minnesota Legislature pursuant to the Laws of Minnesota 2005, First Special Session, Chapter 4, Article 7, Sec. 57.