

Bulletin

August 29, 2001

Minnesota Department of Human Services • 444 Lafayette Rd. • St. Paul, MN 55155

OF INTEREST TO

! Medicaid-Certified
Nursing Facilities

ACTION

Informational.

DUE DATE

Effective immediately.

Nursing Facility (NF) Employee Scholarship Funds Available

TOPIC

Scholarship funds available to all nursing facilities for specified employee education.

PURPOSE

Describes how nursing facilities will receive the funds, how they may be used, and how to qualify for continued funding.

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I. BACKGROUND

The U.S. healthcare workforce has changed significantly over the past two decades, affecting the environment in which direct care workers provide care. Staffing shortages have become commonplace and national studies show 42 states report significant problems in the recruitment and retention of direct care staff. Several factors play a role in the problem of recruitment and retention of workers in the nursing and allied nursing fields, including; high employment rates, an aging workforce, inadequate wages, job dissatisfaction, and lack of career ladders.

II. PURPOSE/INTENT

The purpose of the NF Scholarship fund is to provide support to facilities' efforts to recruit and retain qualified employees and to expand the long-term care workforce.

The Department strongly encourages facilities to use these funds as part of their employee recruitment and retention strategy, by assisting eligible to employees achieve their educational objectives.

III. LEGISLATION

Minnesota Statutes 256B.431, subdivision 35.

IV. FUNDING MECHANISM

Effective July 1, 2001 and continuing through June 30, 2003, all nursing facilities will receive a rate adjustment in the amount of \$0.25 per resident day, which is to be used for employee scholarships. The rate adjustment applies to Medicaid and private pay days. Expenditures paid through scholarship funds are not allowable expenses for Rule 50, and should not be reported on the Rule 50 cost report.

Beginning July 1, 2003, the \$ 0.25 rate adjustment will end. To continue receiving scholarship funds after July 1, 2003, facilities must be in compliance with all provisions of the law, including;

- ◆ Facility must have expenditures for the period October 1, 2001 through September 30, 2002.
- ◆ Expenditures must be reported by 1/1/03 on the form and in the format supplied by DHS and annually thereafter. (Note: the statute places no limit on the allowable amount of scholarship funds available after 6/30/03. Therefore facilities should report all expenditures incurred, regardless of whether or not they exceed the \$0.25 per resident day allotment).
- ◆ Expenditures must be for allowable uses, as described below.

V. REPORTING REQUIREMENTS

On or about September 30, 2002, the Department of Human Services will supply report forms to all nursing facilities for the scholarship program, along with Rule 50 cost report forms and APS data request forms.

Facilities must track and report the following information:

- 1) Name of employee receiving the scholarship
- 2) Employee's age
- 3) Employee's gender
- 4) Hire date of employee
- 5) Current position or title held by employee (e.g. CNA, Medication aide, etc.)
- 6) The scholarship amount awarded
- 7) A breakdown of expenditures (e.g. tuition, books, fees) or in the case of associated costs, identify these costs (e.g. transportation)
- 8) The name of the institution, person or entity providing the training
- 9) The nature of the educational program (e.g. English as a second language (ESL), social work, or Trained Medication Assistant (TMA, etc.)
- 10) All forms of career advancement attained as a result of participation in this training or program (e.g. LPN degree, \$ 0.20 per hour pay raise, etc.)
- 11) Expected or actual completion date of the program

In addition, (for the reporting period) facilities must report; 1) their total expenditures on employee scholarships; and 2) their total actual resident days.

VI. ELIGIBLE EMPLOYEES

Employees who work an average of at least 20 hours per week at the facility [excluding administrators, department supervisors, and registered nurses (RNs)] are eligible.

VII. USE OF FUNDS

The Department encourages each facility to establish internal policies regarding the application for and disbursement of scholarship funds. Publication of clear guidelines will help avoid potential misunderstandings or disputes.

The statutory language does not address such issues as length of service provisions; however, the

Department urges caution when instituting restrictions which may limit a facility's ability to use the scholarship funds.

ALLOWABLE PROGRAMS

- 1) A course of study expected to lead to career advancement within the facility or within the field of long-term care. This may be evidenced by a course of study that would directly result in:
 - a) a recognized certification, title, licensure or degree program.
 - b) an enhanced wage rate.
- 2) Medical care interpreter services
- 3) Social Work
- 4) Job-related English as a second language

The law does not dictate the following:

- location of the training (in-house vs. another location)
- nature of the program or training (e.g. hands-on, e-learning or tele-learning)
- provider of the training
- whether programs are provided by a contractor

ALLOWABLE EXPENDITURES

- 1) Required tuition, books, fees and other required expenses.
- 2) Reasonable costs associated with an educational or training program that were incurred as a direct result of participation in such a program.

NON-ALLOWABLE EXPENDITURES

- 1) Mandatory LPN continuing education credits/units (CEUs).
- 2) Mandatory annual Certified Nursing Assistant (CNA) in-service training.*
- 3) Any other expenses related to continuing education provided for the purposes of maintaining a current licensure or certification.
- 4) CNA training costs*
- 5) CNA testing costs *
- 6) In-house CNA training and/or testing (Nurse Aide Training, Certification and Education Programs (NATCEP))*
- 7) Related expenses to the training and/or testing of CNAs (this includes salary monies, day care, insurance, lab or other fees, books, mileage or other transportation, and uniforms).*
- 8) Expenditures for a conditionally employed CNA (has not completed their training and/or testing yet).

- 9) Educational expenses for which an employee has been reimbursed or which will be paid by a third party (e.g. Minnesota Family Investment Program (MFIP) work program), or any other scholarship.

*Reimbursement for expenses related to the training and/or testing of CNAs is already mandated under federal and state law.

VIII. DISBURSEMENT OF FUNDS

The statutory language does not address the issue of who the scholarship funds should be paid to. Consult your tax advisor for the implications of paying the educational institution or training provider directly versus reimbursing the employee. In some cases, reimbursement made to an employee may require a 1099 form, and may be counted as employee income for tax purposes.

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<http://www.dhs.state.mn.us/fmo/legalmgt/bulletins/default.htm>